THE CHINA WEEKLY

# REVIEW

Devoted to the Industrial, Political and Social Development of China and Its Relations with Other Nations

## China and America Discuss Extraterritoriality

## Chang Chung-Chang's Adventure and the Japanese!

## Governor Stimson and American Far Eastern Policy

## My Compatriots in Peking

*By Junius Young*

## What a Province May Accomplish Under Peaceful Conditions

*By Hin Wong*

## Tariff and Extrality

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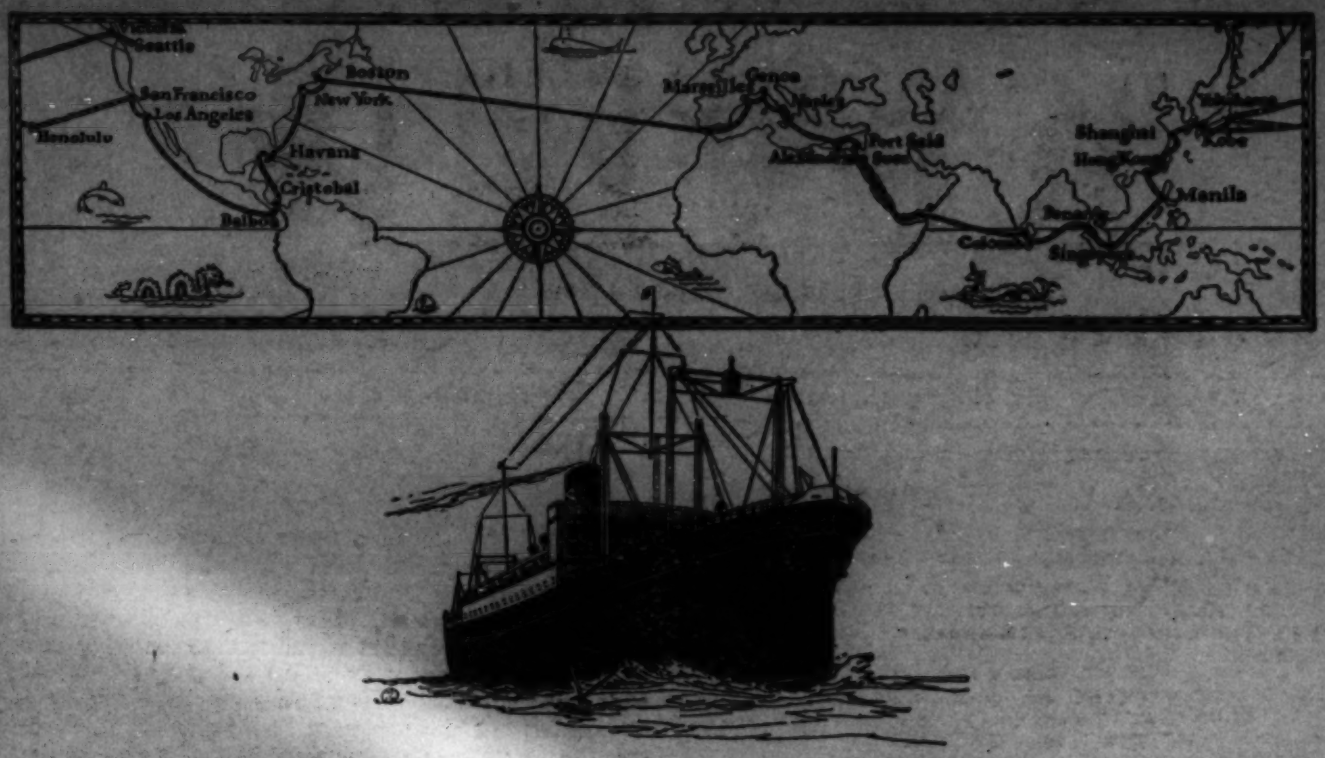


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# THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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## INEFFICIENCY AS A CAUSE OF ANTI-FOREIGNISM

THAT MUCH of China's so-called anti-foreignism has been caused by the inefficiency of many foreign-controlled industries and public utility enterprises in China, is a matter which is not as fully realized as it should be, particularly among the home directors of these organizations. The fact that the National Government is now employing dozens of foreigners from all parts of the world for the purpose of assisting in the reconstruction program, should constitute proof that the Chinese political leaders are not "anti-foreign," that is, in the sense that this word is used in most of the die-hard treaty port foreign newspapers. Still further proof is provided in the fact that clauses have been voluntarily inserted in the new treaties bearing on exterritoriality, which permit foreigners the right to own land and conduct their trading operations in all parts of the country. There is no questioning the fact that China wants to enlist foreign capital in her reconstruction program and is doing everything possible to put her financial house in order with that end in view. But while China is doing everything possible to encourage foreign business and capital to come to China, this does not mean that China is going to put up indefinitely with inefficient foreign management of certain public utility corporations now functioning in this country under monopolistic contracts which were negotiated in the past when ignorant or corrupt officialdom controlled the government of the country. This subject is suggested by the troubles which have recently developed over the management of the Shanghai-Nanking Railway, the contract for which was signed in 1898 between the Chinese Government and the British and Chinese Corporation (Jardine, Matheson and Company). As indicated in a consideration of this subject which appeared in last week's issue of *The Review*, this monopolistic contract is now out of date and should be revised, not only in the interests of the bondholders but from the larger standpoint of Sino-British relationships. What has happened is what usually happens in respect to monopolies when there is no governmental supervision—abuses and corruption have crept in to such an extent that it is no longer possible to operate the railway on efficient lines.

THIS subject of inefficiency as a cause of anti-foreignism, is also of interest in connection with the "International" Settlement of Shanghai. Without any direct supervision on the part of the British home government, conditions have been permitted to grow up here under the British flag which have largely been responsible for troubles which Great Britain has experienced in her relations

with China in recent years. It is only necessary to read the official report of the Municipal Economy Committee, issued by the Municipal Council on Feb. 9, to obtain proof of this statement. It constitutes a record of inefficiency in practically every department of the local municipal government which in its entirety constitutes a stronger indictment of the administration than anything which the Chinese have had to say against the foreign control of their chief seaport and industrial city. The only department of the local government which escaped severe censure was the electricity department, but even here the Economy Commission stated at the outset "that they have only been able to conduct a superficial investigation into the working of this department." It was also stated that "from the point of view of the interests of the general body of ratepayers (tax-payers), one feature not entirely intelligible was the 'pronounced anxiety' of Mr. Taylor that the Department should retain its identity intact and remain in a position of isolation as regards the rest of the Council's service. . . ." This statement suggests the possibility that had the Electricity Department been investigated with the thoroughness that marked the Committee's investigation of the other departments of the local government, that similar inefficiency might have been discovered here. The Electricity Department has always made much of the fact that it has always shown a good profit in its operation, but the facts in the situation are that it would be difficult to see how the Electricity Department could have failed to make a profit in view of the tremendous industrial and population development which have taken place at Shanghai in recent years.

THERE can be little questioning of the fact that the inefficiency which has prevailed in the administration of the International Settlement has been a direct cause of the Chinese opposition which has developed in recent years to the local government. If Shanghai had been efficiently administered from the standpoint of the general Chinese and foreign public, which is responsible for the payment of taxes for the upkeep of the administration, the chances are that the so-called Shanghai Question would not now be a chief bone of contention between China and the Powers chiefly concerned in the local government. Then in addition to the inefficiency which prevails in the local foreign administration there is the further question of the foreign public utilities which function under the foreign administration and are dependent upon the administration for their monopolistic control. Here one also finds inefficiency as a cause of anti-foreignism glaringly exemplified in the local telephone administration, a foreign (British) company which is still operating in the modern city of Shanghai a telephone system comparable to the type originally installed in the rural sections of the United States about thirty-five years ago. No modern city anywhere in the world would put up with the telephone conditions which prevail in Shanghai in this modern year of 1929, but the Shanghai public is forced to put up with this inefficiency because the telephone company has a monopoly and always keeps a representative on the Municipal Council to protect its so-called "interests." If the local telephone system was efficiently managed and was modernly equipped somewhat along the lines of the local Chinese telephone administration in the Chinese city outside of the foreign settlements, the chances are there would be little cause for complaint on the part of either Chinese or foreigners. Generally speaking, the Chinese people are not opposed to foreign control of business or industries in their country so long as those industries are efficiently managed and the public is given honest service. This is proved by the fact that some of the largest industries in China which are foreign controlled have been able to carry on and expand their activities even in the face of the revolutionary and civil-war situation which has prevailed in recent years. The reason for this is that these companies have, figuratively speaking, kept their ears to the ground, and have constantly adapted themselves to conditions prevailing in the country. Also, it may be stated, that very few of these concerns have ever relied much upon so-called "foreign protection"; on the contrary they have depended chiefly upon the good-will of the Chinese people which has been built up through the years by virtue of efficient management and honest service to the public!

## U. S.—CHINA DISCUSSIONS ON EXTRALITY

IT IS NOW definitely known that China and the United States are conducting negotiations on the subject of extraterritoriality—in fact that was one of the chief reasons for the appointment of Dr. C. C. Wu as Minister to Washington, the idea being that his close relationship with the Kuomintang and his active experience in the revolution had made him particularly well fitted for that important work. Aside from the definite announcement that the negotiations have been in progress for sometime there has been no statement regarding progress made or any plans which the two governments may have in mind. Heretofore the United States had declined to discuss this queston with China but in view of the fact that the American treaty dealing with extraterritoriality has only a few years to run, it is obvious that both governments wish to reach an understanding on the question before the expiration of the treaty. Certainly neither country wishes to drift into a situation similar to that which prevails in the relations of China and Japan on this question. The Sino-Japanese commercial treaty dealing with this subject expired in 1926 but was successively extended until last year when the Chinese definitely notified the Japanese that no further extensions could be granted and that negotiations for a new treaty should be formally opened. The Japanese refused to concur in China's wishes and nothing has been done, the result being that the Japanese are entirely without treaty status, an obviously undesirable situation for any two countries which have close commercial relationships. It is this situation which China and America wish to avoid, hence the present negotiations. In view of the fact that China has recently negotiated several treaties providing for a relinquishment of extraterritoriality next year and of the further fact that two important countries, Germany and Russia, relinquished their extraterritorial rights several years ago, it is obvious that China has no intentions to permit other nations to continue their so-called special rights indefinitely. It is therefore of exceedingly great interest to know that China and the United States are now discussing this question and there is hope that something constructive will develop which will provide a precedent for other nations—something along the line of the Sino-American Tariff Autonomy Treaty which paved the way for the tariff treaties which China negotiated with various other nations last year.

A PROPER solution of this question naturally will have a definite bearing on the future commercial relations of China and the United States as well as between China and other nations. The system of extraterritoriality was a direct outcome of the problems involved in the early commercial relations of China and Western countries. For many years the system worked satisfactorily, but in recent years it has come into disrepute and China now wants a new deal. That she will ultimately succeed goes without saying. But looking at the question from China's side there is also much involved that is of vital interest to her future economic welfare. China wants foreign capital for her reconstruction program and for governmental development. In the past foreign capital has come into China under foreign flags with the foreign court in the background as a guarantee of stability. When extraterritoriality has been abolished, foreign capital will have to come into China and take its chances for stability under what protection the Chinese people are able to give through their own courts. And when we speak of foreign capital, we do not mean foreign loans to the Chinese government: we mean the millions of dollars that will come into China privately in the form of investments in industries within China. China wants foreign capital: must have foreign capital for her industrial program. Foreign capital wants to come into China, but foreign capital will not come into China unless there is reasonable assurance of stability and by *stability* we do not mean the sort of stability that a foreign gun-boat would give—which recently has proved to be most unstable—but the sort of stability which the Chinese people will have to provide by themselves through modern dependable courts. China desires an early abolition of extraterritoriality and most foreign nations would like to be relieved of the responsibilities which they now have under the consular-court system. The answer to the problem is the creation of a new system that would take the place of extraterritoriality, but which would provide equal assurances of justice under Chinese law that would be satisfactory to both sides. Herein is the crux of the problem; hence the hope that some constructive plan will emerge from the present Sino-American negotiations that will pave the way for a new order that will be satisfactory to China and at the same time provide the needed stability that is a prerequisite for the large commercial and industrial development in China that all feel should come shortly.

## THE CHANG CHUNG-CHANG ADVENTURE

THE MANCHURIA *Daily News*, the little English-language newspaper which serves as the official organ of the Japanese Government-owned South Manchuria Railway, published an article on the front page of its issue of February 19 which was headed, "Chang Like a Hero in Fiction; Slipping out of Hoshigaura to Gamble with Fortune." Under this heading was printed a most interesting and significant account of how General Chang the ex-bandit tupan of Shantung province, departed on the morning of February 18 from the Japanese leased Kwantung territory in Manchuria and returned to Shantung province, taking along with him a body-guard of some 250 armed men. The account of Gen. Chang's departure from the closely-guarded Japanese port of Dairen is important and in view of future Sino-Japanese and possibly international complications over the incident, we publish it in full as it appeared in the Japanese paper published at Dairen,

"Chang Tsung-chang, of the Chang-Chu notoriety, with his staff, stole out of the elegant villa of Mr. Chang, a friend of his, at Kokusekisho just beyond Hoshigaura at daybreak yesterday, and put out in junks at Hsiaopingtao, a short distance off on the Dairen-Port Arthur coast road, and went on board a 700 ton steamboat (chartered by Chang) that had been kept in waiting a few miles out in the sea, sailing Lord knows where for.

"On the 17th inst., Chang had promoted an impressive Buddhist rite in honor of his deceased's father on the 100th day of the latter's death at Shankako (Dairen).

"There is no question that this Chinese General has long been looking out for a chance to strike at the Nationalists, and Lt.-Gen. Wu kuang-hsin, now Aufu leader, son-in-law to Marshal Tuan-chi-jui, and ex-War Minister to the defunct Peking government, has been believed to be in the thick of Chang's plot. While visiting Tokyo, Lieut.-Gen. Wu tried to seek help from a certain Japanese source, but in vain.

"The Japanese authorities, sensitive to what misunderstanding has already been spun by the outside world in their relation to Chang, flatly refused to render any aid at all. On the contrary they have warned the Kwantung Government to keep its eyes on Chang's movements.

"We undestand that Chang's destination is in all probabilities Shantung.

"It may sound incredible, but reports say that the Chinese in Shantung, obsessed with the fear of Communists running amuck in their midst once Feng Yu-hsiang gets his hold on the prospective evacuation by the Japanese troops, were sending delegation after delegation to Chang between Dairen and Port Arthur to press him to take up arms again in Shantung.

"As fate had it, Liu-chen-nien, once under Chang, fell out with Liu-kai-tai. The latter, in defiance of the other, raised the Five-Colored Flag at Lungkou the other day and assumed the offensive, already seizing the best part of the northeastern portion of the Peninsula, occupying Fushan at last at 4 p.m. on the 17th last. He then laid siege to the Prefectural seat of Mouping. Furthermore, the enemy closed in upon Chefoo. the base of Liu chen-nien within 30 Chinese "li" or ten miles. Liu's flight was now accepted as a question of hours.

"This news brought Chang to the scratch at length on the night of the 17th inst.

"In the small hours of the 18th, he paid a surprise visit to his aged mother and his first wife at Port Arthur to bid them good-bye. He motored back at once to Dairen and, packing up in a few hours, he with his staff slipped out.

"Nobody, even the few in his confidence were told where he was bound.

"We might add that this General who must have something of the old-time warrior in his make-up has designed a new Five Colored Flag, probably to fly it to rally his old following in Shantung.

"At all events, the General appears like a hero in fiction more than a soldier in the flesh who had barely escaped being shot like a dog by the late Gen. Yang-yu-ting, a mortal enemy of his. After slipping out of Lanchow (on the Peiping-

Mukden Line west of Shanhaikwan) almost in disguise in a junk last September, he got stranded at Port Arthur and was leading a fast life with women of the town and waddling in debauchery like a drone in a jar of honey.

"His aged father's death kept the spoiled child of fortune in a life of self-denial as severe as in a Western monastery we read of once in a while.

"What success this meteor-like fighter will achieve in his new adventure can not fail to lend to his life history some additional interest, even though he might disappear for good like a shooting star."

Several weeks ago, or to be exact, shortly following the assassination of Gen. Yang Yu-ting, at Mukden, a correspondent of *The Review*, an Englishman residing in Manchuria, wrote an article in which he suggested that the Chinese refugee colony residing within the Japanese leased territory in Manchuria "would bear watching." These words were prophetic because of what has just happened in respect to Gen. Chang Chung-chang. For readers of *The Review* who do not understand the circumstances it is necessary to explain that the Kwantung or Liaotung Peninsula, a part of Fengtien province which extends down into the Gulf of Chihli is Japanese "leased territory." It formerly was leased by the Russians but was ceded to the Japanese following the Russo-Japanese War. The Chinese have always maintained that the Japanese only took over the Russian lease which expired several years ago, but the Japanese made sure of their tenure by including an extension of 99 years as one of the conditions of the notorious Twenty-one Demands of 1915. The Chinese dispute the legality of this method of extending the lease, but the Japanese have the territory and maintain an army and naval base at Dairen to enforce their point of view. So that's that!

When the Chinese Nationalists defeated the various Northern warlords last year, most of them fled into the Japanese zone at Dairen where they have since resided and where they have deposited their fortunes in the Japanese banks. This includes such men as Gen. Chang Chung-Chang, a former bandit who looted Shantung province, and various other members of the so-called Anfu Clique of Chinese militarists and politicians who ruled in Peiping during most of the period embraced by the World War and who received most of the so-called Nishihara Loans amounting anywhere between $250,000,000 and $350,000,000 which Japan advanced to the Northern military party in the hope of buying over their support to Japan's policy of territorial and political aggrandizement in Manchuria, Shantung, Fukien and other parts of China. It is from this Japanese zone that Gen. Chang Chung-Chang emerged on February 18 and at the time of writing is fighting to re-establish himself in Shantung province.

Now turning to Shantung province, we find the eastern end of that peninsula still controlled by bands of former Chihli-Shantung troops that previously served under Gen. Chang Chung chang when he was in control of that area. When Chang was forced to evacuate in the spring of last year in the face of the Nationalist forces under Generals Feng Yu-hsiang and Chiang Kai-shek, most of his former troops in eastern Shantung remained in the province and hoisted the Nationalist flag. While the National Government has been able to send troops into southern and western Shantung, it has not been able to occupy the eastern or northern portions of the province owing to the presence of the Japanese troops along the Tsinan-Tsingtao 250-mile railway, the reason being that the Japanese have created a 20-mile so-called "neutral" zone along the entire length of the railway and around the provincial capital at Tsinan. Naturally the Chinese do not wish any further complications with the Japanese by sending troops anywhere near the Japanese zone. Anyone who will examine the map of Shantung will see that the Japanese military lines, plus certain topographical conditions, almost completely cuts off the northern and eastern portions of the Shantung Peninsula. Marshal Feng Yu-hsiang, the Minister of War in the National Government, has some 30,000 troops in western Shantung in the vicinity of Taian, the temporary capital located about fifty miles south of Tsinan, but he is precluded from sending troops into the area north of the Tsinan-Tsingtao railway because it would be necessary to march them around through the mountains to the west of Tsinan, which in addition to the mountain hazards would also involve two crossings of the Yellow River.

The exact number of ex-Northern troops in this area north of the railway is not known exactly, but according to reports from foreign sources there are about five or six divisions. As stated, these troops, immediately following the evacuation of Gen. Chang Chung-chang last year, unfurled the Nationalist flag and declared their allegience to the National Government. The commander of most of these troops was a former Chihli-Shantung commander, Gen. Liu Chen-nien who has his headquarters at Chefoo. On January 25 about 3,000 of these troops under another general named Liu Kai-tai revolted againt Gen. Liu Chen-nien and put up the old five-barred flag. Fighting has been going on almost continuously since that time, the revolters gradually increasing their strength through the enlistment of bandit gangs. The scenes were thus well set for the come-back of Gen. Chang Chung-chang on Feb. 19, the day he arrived at the port of Lungkow, located a few miles to the west of Chefoo. At the time of writing the troops under Chang Chung-chang were gradually pushing toward Chefoo and other groups of former Chihli-Shantung troops in eastern Shantung were discarding their Nationalist flags and going back to the banner of Chang Chung-chang who seems to be well supplied with money and ammunition.

This brings us to the question: "Why did Chang Chung-chang attempt a come-back, and how was he able to formulate his plot while residing within the closely-guarded Japanese military zone at Dairen? In the first place, Gen. Chang staged his come-back for natural personal reasons based on a desire to return to power and exact revenge on the Nationalists whom he has ample cause to hate. The answer to the rest of the question leads into the field of speculation, but is worth examining owing to its bearing on the question of Sino-Japanese relations. As generally known China has been trying through the process of peaceful negotiations to induce the Japanese to withdraw their troops from Shantung. The record of the Sino-Japanese negotiations which appears elsewhere in this issue of *The Review*, tells the story of the ups and downs of these negotiations, the obvious element being the disinclination of the Japanese government to withdraw their troops for reasons which are generally known to those who have been following Japanese policy toward China since the coming into power of the Tanaka Military Clique which now dominates the Japanese Government. Under one of the resolutions adopted at the Washington Conferenee the Chinese Government has the

right at any time to ask the other Powers to send a commission of investigation to determine whether the continued stationing of so-called unauthorized troops on Chinese soil is necessary for the protection of foreign lives and property. The Japanese are perfectly aware of this Washington Conference resolution and also were perfectly well aware of the fact that China would invoke this resolution if the Japanese continued much longer to keep their troops in Shantung. As a matter of fact, it has been reported that Dr. C. T. Wang recently told Mr. Yoshizawa, the Japanese Minister that unless Japan shortly withdrew her troops from Shantung that China intended to ask the three foreign nations which had consuls in Tsinan at the time of the Tsinan incident (May 3, 1928), that is America, Britain and Germany, to send a commission to Shantung for the purpose of investigating the situation and if Japan was agreeable, to mediate in a settlement of the Tsinan affair. Whether Mr. Yoshizawa reported this to Tokyo, we do not know, but shortly afterwards, Gen. Chang Chung-chang staged his come-back and now the Japanese are in a position to tell the world that conditions in Shantung are again so unsettled that they do not dare withdraw their troops!

Also, it might be stated, in conclusion that Gen. Chang Chung-chang departed from Dairen on a Japanese boat, the *Yawata Maru*, which he chartered for the purpose. He was accompanied by the Anfu General, Wu Kwan-hsin and some 250 armed bodyguards with a considerable supply of ammunition *and two Japanese assistants named Shirouchi and Kobinata.* The *Yawata Maru*, the Japanese ship on which Gen. Chang chartered sailed from Dairen on the morning of February 18 and landed at Lungkow on the Shantung coast on February 19. The *Tsingtao Times*, another English-language newspaper which is very friendly toward Japanese interests, in its issue of February 23 published a story on the front page stating that on February 20 (two days after Gen. Chang had sailed) the Japanese Government had issued an order forbidding the use of the Japanese boat *Yawata Maru* by the former Shantung war-lord and that the Japanese Consuls at Tsinan and Tsingtao had stated that *"the vessel had been prevented from accepting further similar charter of this nature."*

## THE FIGHT BETWEEN RADIO AND TELEGRAPH

THERE is significance in the fact that the world-wide fight between radio and telegraphic interests has been extended to China and has been responsible for considerable dissension within the National Government. The question has not yet been definitely settled, but according to a statement by Mr. Chang Ching-kiang, Chairman of the National Construction Commission of the National Government, in the course of an address in Shanghai on February 27, the Central Political Council has authorized the Construction Commission to have entire control of radio activities in China "during the construction period," following which it will be turned over to some other department of the Government. Newspaper readers in the Far East have only observed the surface manifestations of rivalry which has suddenly sprung up between these rival communications services, but as usual there is more than appears on the surface. About all that the public has been able to observe is that two departments of the National Government, the Ministry of Communications and the new National Construction Commission have suddenly engaged in the business of radio communication and have been competing with each other in establishing services between China and the United States and Europe. Beneath the surface manifestations which the public has observed, there is going on a fight between these old and new systems of communication which is likely to have a considerable bearing on the future of communication in China. The new National Construction Commission (formerly Reconstruction Bureau) has constitutional standing as one of the major committees of the National Government. It derives its inspiration from the late Dr. Sun Yat-sen who recommended the creation of a definite organ that would have charge of new projects in the so-called reconstruction of China, the idea being to prevent overlapping and promote the coordination of the various reconstruction projects. The development of radio was one of the first projects tackled and tremendous progress has been recorded in a remarkably brief period of time. Direct radio communication has been established between China and Foreign countries and for the first time since China's long contact with the outside world relief is being experienced from the foreign cable monopoly which has stifled China's foreign telegraphic communications for so many years. But the Ministry of Communications, which department had had control of China's telegraphic communications in the past, naturally resents the inroads of radio and has put up a fight for control. We have no desire or intention to enter into the pros and cons of this internal struggle in the National Government for control of radio, but from the standpoint of American radio interests it is a fact that the Ministry of Communications in the old Peiping Government successfully blocked the development of radio communication between China and America for a period of nearly ten years. The reasons for this situation are too involved for complete explanation here, but the opposition came from the Danish-British cable monopoly and from the Japanese who claimed a monopoly of all radio communication within China and between China and foreign nations. We do not wish to imply that similar interests are still involved in this qestion, but obviously it is to China's interests to keep her radio communications entirely free of any possible complications or control on the part of the so-clied cable monopoly.

## THE SHANGHAI MUNICIPAL COUNCIL ELECTION

THE nominations for candidates for members of the Municipal Council of the Foreign (International) Settlement of Shanghai closed February 25, with the following result: American—V. G. Lyman, for many years connected with the Standard Oil Co. and at present a member of the Commission to assess damages suffered by Americans at the time of the Nanking incident., and C. H. French, vice-president of Andersen, Meyer & Co., Ltd; British—A. D. Bell, H. E. Arnold, E. B. McNaghten, P. W. Massey, J. E. B. de Courcy, G. W. Sheppard, A. E. N. Howard and G. E. Marden; Japanese—K. Fukushima and T. Funatsu. Swiss—H. J. Burkhardt. It will thus be seen that there are thirteen candidates for nine posts—a quite different situation from what it has frequently been in past years when the foreign public took so little interest in the elections that only nine persons were nominated, thus making an election a mere matter of form. The Foreign Settlement of Shanghai is run on the same system as a "close" corporation with the majority of stockholders unrepresented. Not only

are there no Chinese eligible for the Council or allowed to take part in the voting, but so also are excluded the great majority of non-Chinese, If you are a foreigner and rent a property for which you pay a rental of not less than five hundred taels a year or if you own land of a value of said amount you are entitled to vote, regardless of race, color or sex. But if you have not that property qualification you may not vote. To be a member of the Municipal Council you must either own enough land so that the taxes on it amount to at least fifty taels or you must be the occupier of a property on which the rent amounts to not less than Tls. 1,200 a year. If you are qualified to vote and you are absent from Shanghai you may give a proxy to some other voter to vote for you, just as you would in a shareholders meeting in a company in America or Europe. Owing to the fiction that Chinese may not own land in the Settlement, whereas, as a matter of fact they own three-quarters of it, a system of surreptitious registration of Chinese land in foreign Consulates has grown up. The way it is done is that the foreigner whom the Chinese landowner trusts goes to his Consulate, provided it still enjoys the benefits of extraterritoriality, and applies for registration of land in his (the foreigner's) name. As a matter of fact the foreigner does not own the land at all and he acknowledges privately, with a document known as a deed of trust, that the land really belongs to the Chinese owner. When the foreigner gets his title deed from the Consulate he then hands it over to the Chinese, and thus both are prevented from disposing of the property without the assistance of the other. The Chinese, if he goes to the Consulate, will not be recognized and the foreigner cannot transfer the title deed, for it is in the hands of the real Chinese owner. This is the status of approximately three-quarters of the land registered in the American and other foreign Consulates in Shanghai. Partly as a result of this powar derived from the registration of Chinese land, voters in Shanghai gain addition voting power, although this additional power is not in evidence in the election for Councillors. Councillors in Shanghai serve without pay. The fact that there are so many candidates this year indicates that the public of Shanghai is beginning to take an interest in Municipal affairs, something that it has rarely ever done before. The principal incentive to taking the present interest seems to be the insistent demand of the Chinese that the Settlement should be returned to China, and that in the meantime that Chinese should be allowed a real share in its management. It reminds one of locking the door after the horse is stolen. If any community ever deserved to lose its special privileges it has been the foreign community of Shanghai, whose apathy in Municipal matters has been truly astounding. The appearance of the Swiss candidate has some significance. Up until the European War there had always been at least one Councillor from the Continent. Since that time there have only been British, American and Japanese. It was an American Consul, in pre-Revolution days—Amos P. Wilder—who in a public address stated that he considered that the British assumed a predominance in local Municipal affairs out of proportion to their real interests, and the appearance of a Continental candidate seems to indicate that there is a large proportion of the foreign population in Shanghai that feels the same way at the present time.

In addition to this foreign election, the Chinese since last year have also the right to elect three Chinese members of the Council. Six Chinese also sit on the various executive committees. As mentioned above, the Chinese have in recent years been making insistent demands for effective representation and recently these demands have again come to the fore. The Chinese insist, in view of the great preponderance of their land interests, and particularly of population, that they shall have representation on the Council at least equal to that of the foreigners. This matter of increased Chinese representation will probably be one of the matters which will come before the next Ratepayers' meeting. The demand for Chinese representation on the Council was one of the demands made by the Chinese community following the May 30 incident in 1925, and it was with great difficulty that later, when the agitation had somewhat died down, that the Chinese were induced to accept for the time being the present arrangement whereby there are three Chinese members of the Council and six Chinese on the various executive committees.

In the meantime the British candidates (all of them) have issued jointly a letter to the Press reading as follows:—

> "The undersigned, who are the British candidates in the forthcoming election, are unanimous as to the advisability of two American and two Japanese Councillors being elected, and, therefore, earnestly request all British ratepayers to vote for the two American and the two Japanese candidates."

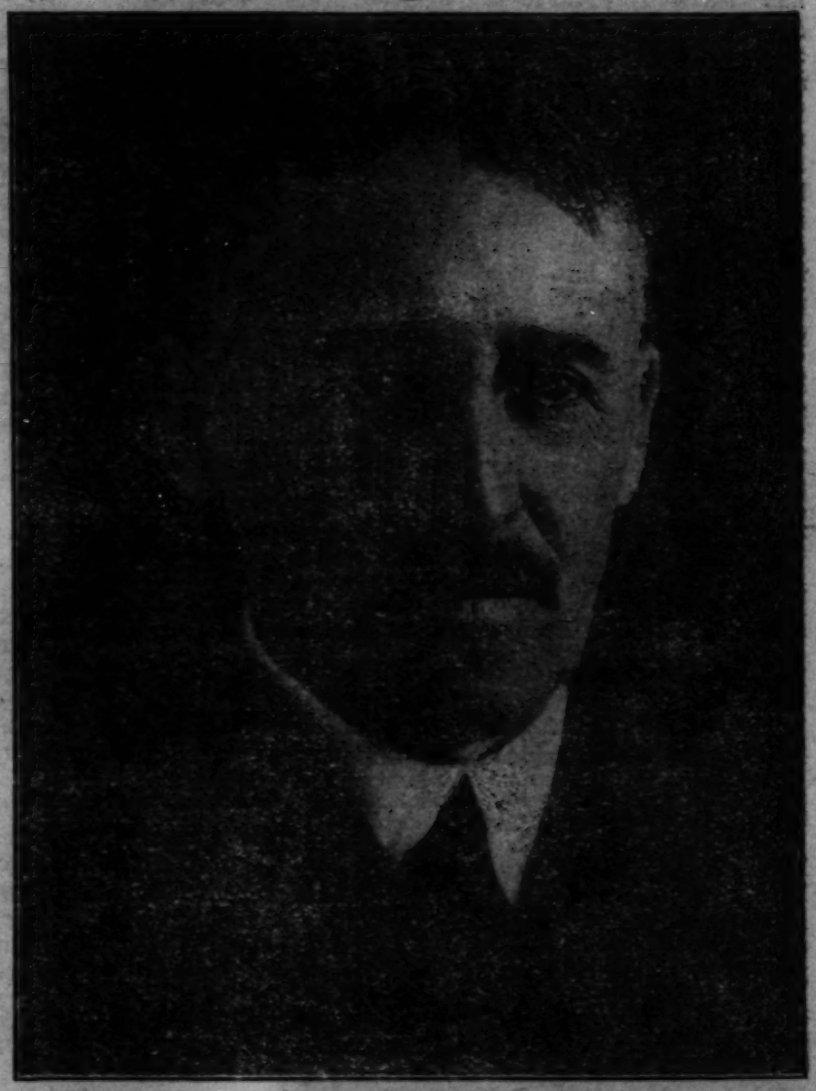
This should be gratifying news to Americans. In this connection, however, it is to be noted that the probable effect of such a letter will be that all Continentals—Germans, Russians, French, Italians, Danes, Swiss, Dutch, etc.—will unite to elect the Swiss candidate. Mr. Burkhardt, the Swiss candidate, in a letter to the Shanghai newspapers expresses amazement that although the Economy Commission made a report looking towards a reduction of Municipal expenditure, a Director General has been reappointed at enormous expense. Mr. Burkhardt says he sees no reason to change from the old system of having the Secretariat attend to the executive work of the Settlement and he pledges himself, if elected, to see that the strictest economy is observed.

# Governor Stimson and American Far Eastern Policy!

ALTHOUGH confirmation had not been received at the time of going to press, it is reliably reported that Mr. Henry L. Stimson, Governor-General of the Philippines, is to be Secretary of State in the Hoover Cabinet. Mr. Stimson was in Shanghai this week on his way back to Washington and aside from thefact that he had been requested to return to Washington where he had been offered another post by President-elect Hoover, he made no further statement on the matter. Mr. Stimson, who is a native of New York City and a graduate of both Yale and Harvard, was Secretary of War in the Taft Cabinet from 1911 to 1913. He is a lawyer by profession and for three years was U. S. District Attorney for the Southern District of New York. In 1910 he was the Republican candidate for Governor of New York State. In 1927 he was sent to Nicaragua on a special mission by President Coolidge and upon his return was apppointed Governor-General of the Philippines, a position which he has held to the present. According to his biography which appears in the last edition of *Who's Who in*

*America*, he is a director in the Lawyers' Mortgage Company and the American Superpower Corporation. Mr. Stimson is 62 years of age.

If it is true that Mr. Stimson is to be appointed Secretary of State—and the fact that various American officials in China, including the Minister, Mr. John Van Antwerp MacMurray, came here to interview him, would seem to confirm the report—it is a matter of some significance from the standpoint of American policy in this part of the world. Aside from domestic political considerations, the significance in Mr. Stimson's appointment to the Hoover Cabinet is based largely on the fact that he has served in the most important American post in the Far East and hence may be expected to have some understanding of the fundamentals of the international political situation prevailing in this part of the world. There is a possibility of course, that Mr. Stimson may be appointed Secretary of War, or possibly to some other important post, but the fact that he has been recalled to Washington upon the instructions of President-elect Hoover, offers opportunity for a review of his work in the Philippines considered in the light of American Far Eastern policy. In Mr. Stimson's inaugural address at Manila he laid particular stress upon education and industrial and economic progress as being most necessary for the Filipino people. "It has often seemed to me," declared the Governor-General, "that sometimes in our insistence upon political development, we overlook the importance of the economic foundations which must underlie it and upon which it necessarily rests. By some of us, industrial development has even been dreaded as if it were inconsistent with the liberties of a people... History shows that it has been the great commercial and industrial nations which have first developed individual liberty and free institutions and which have most tenaciously clung to them. It has shown further that within such countries it has been the middle artisan class, produced by industry and commerce, which has been the pillar and support of their free institutions. The industrial guild, in ancient times, was a birthplace of common rights, and in later days the trade union brought forth by industrial development has often been a bulwark against governmental oppression. On the other hand, those nations which have depended solely upon agriculture and the tillage of the soil, where there was no commerce or industry and no middle class of citizens engaged in them, have been the ones most prone to drift into the abuses of serfdom and peonage and other varying forms of servitude. If there is danger today of the loss of personal freedom in these Islands; if for example the threat of the usurer overhangs any class of your citizens, it is the tillers of your rice paddies who are subject to the danger rather than the artisans of your shops and factories. The world has now reached a stage of progress where government is expected to engage in activities for the social benefit or protection of the individual, all of which are expensive and require greater governmental revenues. The constantly expanding system of public education is but a single example. The government of today is expected to furnish not only schools and colleges, but also hospitals, asylums, libraries and museums, public roads, aqueducts and post offices, and a constantly increasing variety of services of health and education, travel and communication, protection and social welfare which modern civilized life regards as essential. All of these services minister to the comfort and welfare of the individual citizens; some of them, like education, directly conduce to his ability to govern himself. Some of them are particularly necessary in the tropics with its constant threat of epidemic disease. They all make inroads on the revenues which come from taxation. To support them a community must possess the wealth that comes only with industrial development. Today your budget and your tax laws indicate that you are already reaching the limit of the revenues obtainable upon your present economic development. You are faced with the ialternative of increasing your taxable wealth or checking and holding back some of the necessary activities of your government and important public improvements. It is the simple truth not only that individual freedom and the practice of self-government are found to be most prevalent and firmly held in those communities and nations which have a highly-developed system of industry and commerce as a foundation, but it is also true that only in such communities and nations can the average citizen attain the degree of individual comfort, education and culture which modern civilization is coming to demand. Is there any reason why the Filipino people



**Governor General Stimson of the Philippine Islands, Who According to Report, Will be Appointed Secretary of State in the Hoover Cabinet**

should not attain such an economic development?"

This was Governor-General Stimson's declaration of policy upon his arrival at Manila a year ago. The brief space of one year does not present much opportunity for the application of a new policy, but despite the short period of Governor Stimson's regime at Manila opportunity has been given for the beginning of a program of economic development and cooperation that promises much for the future. An American who has resided in the Philippines recently contributed an article dealing with Governor Stimson's program to the *Shanghai Times* in which it was stated that "through Mr. Stimson, the United States had supported the Nationalists Party, the leaders of which had pledged themselves to cooperate with the American executive in a program of economic and business development." It was stated further that the apparent intention now is to enter upon a 20-year program of intensive exploitation of insular resources, the object being to elevate the standard of living to such an extent that the Filipino people will be able to compete with the rapidly expanding industrial development in other Far Eastern countries. Governor Stimson has said little about "independence" but he has had much to say on the subjects of "freedom" and "self-government." In other words he has not committed himself on the question of complete independence, but he apparently has in mind the creation of conditions which in the shortest possible time will prepare the Filipino people for a condition of independence or at least some form of self-governing status that will enable them to defend themselves against the competition of their Far Eastern competitors. In conclusion the writer referred to in the foregoing said.

> "In all quarters it is agreed that the status the Philippines now holds is too uncertain to continue much longer. To make it an organized territory would lead toward statehood and to this, financial interests and a large measure of public opinion in the United States are opposed. The first class of opposition arises from jealousy of free trade and other privileges which bring Philippine products, such as sugar and cocoanut oil, into competition with homeland commodities. The second variety is based on the double hostility to cheap immigrant labor and to racial foreignness. Then, too, there is always the obvious consideration that self-government is a pacifying compromise to prevent too great a disappointment over a refusal of independence.
>
> "Should such an autonomous Philippines come into existence, its government would deal directly with China, Japan and other Far Eastern Powers on questions of immigration, trade and finance. It would have to defend its nationals from absorption by their more numerous and, at present, more enterprising neighbors, and only the most far-sighted statesmanship would save its commerce and industry from disastrous competition with those of China and Japan, both of which have already far out-stripped the Philippines in the rush toward industrialization."

What America will ultimately do in respect to the Philippines is in the laps of the Gods because the question of Philippine independence is intimately connected with the entire so-called Far Eastern Question which concerns American policy toward China, Japan and other Oriental countries. The *Manila Bulletin* on February 13 stated that a measure introduced in Congress in 1924 known as the "Fairfield Bill" may be re-introduced in the next session of Congress which provides for complete independence at the end of thirty years; in the meantime the United States doing everything possible to improve the educational and economic condition of the Filipinos. The Fairfield Bill also provides for the election of a Filipino governor and vice-governor, but to have an American Commissioner in the Islands who would act in an advisory capacity. At the end of the thirty-year period the entire question of independence would be left to the Filipinos themselves to decide.

There is no questioning the fact that American policy in the Philippines has a direct bearing upon American policy toward China. As a matter of fact there are many who profess to see a similarity in American support of the Nationalist) Party in the Philippines and American recognition of the Nationalist Government and the Kuomintang in China. Practically all of Governor Stimson's remarks in respect to the necessity for industrial development and education as a foundation for political development in the Philippines applies with equal force to present-day China. China in her present plans for reconstruction and governmental development is facing the same problems which the Filipinos are facing—the lack of revenue—and the only way to obtain the money for these various activities which present-day governments must engage in is through the creation of wealth, which can only come through a highly-developed system of industry and commerce which will provide a foundation for political development. That the American people stand ready to assist China in the solution of her problems goes without saying and especially now that the United States has a surplus of capital for investment in foreign countries. Most of America's foreign investments in recent years have gone into Europe, but now it is believed that President-elect Hoover is more favorable toward future investments in Central and South America and in the Far East, all of which coincides with the definite and indefinite expressions of American policy in respect to the Philippines and China during the past year!

# The Sino-Japanese Negotiations on the Shantung Question

## *THE RECORD TO DATE*

*October 19*—General-Baron Tanaka, Japanese Premier and concurrently Foreign Mininter sent S. Yada, Japanese Consul-General at Shanghai, to Nanking to confer with officials of the National Government for the purpose of trying to reach an understanding in order that formal negotiations might be undertaken. Mr. Yada, however, was not provided with any credentials for conducting actual negotiations, hence his activities at Nanking can only be classed as "conversations."

*October 26.*—General-Baron Tanaka sent Hachiro Arita, chief of the Asia Bureau of the Tokyo Foreign Office and Koichi Nishida, acting Japanese Consul-General at Tsinan, Shantung Province, to Nanking supposedly for the purpose of "checking up" on the reports regarding the Nanking situation which Mr. Yada, the Japanese Consul-General at Shanghai had submitted to Tokyo regarding the attitude of the National Government.

*November 10*—General-Baron Tamaka is alleged to have sent a secret confidential agent named Kono Ryonei to Nanking for a private conversation with General Chiang Kai-shek, Chairman of the National State Council, apparently for the purpose of "checking up" on reports which Messrs. Arita and Nishida had made regarding the situation at the National Capital and also, according to report, for further "checking up" on Mr. Yada, the Japanese Consul-General at Shanghai.

*November 19*—S. Yada, Japanese Consul-General at Shanghai, who initiated the Nanking "conversations" and who returned to Shanghai after a stay of six days in the National Capital, returned to Nanking for still further conversations with Dr. C. T. Wang, the National Minister for Foreign Affairs.

*November 23*—Negotiations between S. Yada, Japanese Consul-General at Shanghai, and Dr. C. T. Wang, National Foreign Minister, definitely break down and both issue statements, the reason for the break-down being unknown but supposedly on account of Japan's refusal to withdraw

her troops from Shantung as a preliminary to the opening of definite "negotiations" for a settlement of outstanding problems between the two countries.

*November* 23—Although the "conversations" between Yada and Wang are discontinued, Mr. Yada opens "conversations" with T. V. Soong, National Minister of Finance on the question of the China tariff and also, according to report, on the question of China's refunding the defaulted Japanese loans from the increased customs revenues expected to result from China's tariff autonomy program.

*December 4*—Consul-General Yada demands of Mr. Soong that China must agree to the refunding of Japan's defaulted debts from the increased customs revenues before Japan will agree to China's plans for increasing of the tariff schedules. Chinese papers state Mr. Soong refused to consider the Nishihara loans at all, but that he did agree in principle to a refunding of the "legitimate" Japanese loans and as good faith offered to set aside the sum of $5,000,000 as the first year's payment of interest on the old unsecured Japanese loans.

*December 7*—S. Yada, Japanese Consul-General at Shanghai refuses to accept China's official Note announcing the new tariff schedules which China intends to enforce on February 1, 1929. The other foreign consuls at Shanghai, including the American and British, accept the Notes and draft of schedules and forward them to their Legations in Peiping.

*December 11*—Takejiro Tokonami, president of the Shinto Club, a Japanese political organization, occupying a "neutral" position in the Diet, accompanied by Mr. Akatsuka, former Minister to Austria, Lieut-General Idogawa, retired militarist, and a staff of about a dozen secretaries arrive in Nanking, supposedly on a private mission for the purpose of investigating the political situation at Nanking.

*January 25.*—General-Baron Tanaka announces at a meeting of the Privy Councillors in Tokyo that "the conclusion of a Sino-Japanese tariff pact may be taken as Japan's *de facto* recognition of the National Government, but since recognition requires a legal form, it cannot be said to be complete recognition unless the Japanese Government formally recognizes the National Government with a formal Note. The matter regarding Japan's recognition of National China depends upon the outcome of the negotiations on various outstanding Sino-Japanese issues, which are to be conducted between Mr. Yoshizawa and the National Government." This statement by General-Baron Tanaka constituted the first definite information from Tokyo that Japan had negotiated a tariff treaty with China and probably would not raise objections to the coming into effect of the new Chinese tariff schedules on February 1.

*January 25.*—Mr. Yoshizawa, Japanese Minister to China, who has been in Tokyo for several months, arrives in Nanking and opens negotiations with Dr. C. T. Wang on outstanding Sino-Japanese questions, the official Japanese *Toho* news agency report stating that negotiations are to be started, first of all on the Tsinan incident.

*January 26.*—Chinese Ministry of Railways announces that protracted negotiations between representatives of the Ministry and the Japanese Consul at Tsinan on the question of resuming transportation on the Tientsin-Pukow Railway through the Japanese military zone at Tsinan, Shantung, have broken down owing to the conditions which the Japanese military have imposed respecting the inspection of trains which the Chinese declared to constitute an infringement upon their sovereignty.

*January 28.*—Official Japanese *Toho* news agency announces that Mr. Yoshizawa planned to return to Shanghai, it being "learned on good authority" that the negotiations between Mr. Yoshizawa and Dr. Wang were "on the whole a repetition of the Wang-Yada preliminary negotiations and that though the withdrawal of Japanese troops from Shantung was the principal topic, no reference was made to any concrete measures for the evacuation of the Japanese troops. In short, the Sino-Japanese parleys have resulted in no agreement, but it is understood that Mr. Yoshizawa is giving a dinner-party this evening in honor of Dr. Wang." A later Chinese report stated that Dr. Wang didn't attend the dinner-party, pleading illness.

*January 29.*—Report from Tokyo states that "owing to his success" in negotiating the new Sino-Japanese tariff understanding, Mr. Yada, Japanese Consul-General at Shanghai is to be recalled to Tokyo and it is not known whether he will be promoted to a new post or sent back to Shanghai.

*January 29.*—Official *Toho* report from Nanking states that Mr. Yoshizawa and Dr. Wang held another conference and exchanged views concerning the "whole of the pending questions existing between Japan and China." After the meeting Mr. Yoshizawa told the Japanese newspaper correspondents that he had discussed the Tsinan incident as well as the anti-Japanese movement now prevailing in China. "On the whole, I can inform you that effective conversations were exchanged in a friendly atmosphere and I am expecting to hold another meeting with Dr. Wang within a few days," stated Mr. Yoshizawa who explained that he was returning to Shanghai where he hoped further negotiations would be held "the opinions of both delegates being very close due to the conciliatory attitude . . . thus throwing a light on the future of Sino-Japanese negotiations."

*January 30.*—Japanese Privy Council, according to *Reuter* report from Tokyo, formally approves the China Tariff Agreement and notifies the Japanese Charge d'Affairs in Peiping to sign accordingly.

*January 31.—Reuter* report from Tokyo quotes "official circles" in the Japanese Government as declaring that the signing of the China Tariff Agreement only recognized the "Interim Tariff" and did not constitute recognition of tariff autonomy or actual recognition of the National Government; Japanese Government Spokesman also alleged that China had agreed to recognize the legality of Japan's "unsecured" loans made to China and in addition had agreed to set aside $5,000,000 from the increased tariff revenues toward repayment of Japan's loans. Chinese officials denied Japanese allegations regarding "recognition" of Japan's unsecured loans and stated that China had sent identic notes to nine nations, including Japan, asking them to send representatives to China for purposes of discussing the refunding of defaulted loans and that Japan's unsecured loans would have to go into the same pot with the unsecured loans of other countries.

*February 5.*—Mr. Yoshizawa and Dr. Wang hold conference in Shanghai which lasts for 10 hours, at conclusion of which Dr. Wang was quoted by the official Chinese *Kuo Min* news agency as stating that an agreement had been reached and that formal negotiations would be conducted in Nanking "as soon as the details can be worked out." Mr. Yoshizawa, the Japanese delegate was quoted by the official Japanese *Toho* news service as stating, "It may be safely said that as the result of this parley, the Sino-Japanese negotiations on the Tsinan affair have been almost brought to a successful conclusion."

*February 8.*—Dr. Wang and Mr. Yoshizawa meet in Shanghai, supposedly for the purpose of initialing the documents for formal settlement of the Tsinan incident, when Mr. Yoshizawa informs Dr. Wang that upon instructions from Tokyo he cannot agree to the understanding previously agreed upon on February 5 that both sides are to pay damages resulting from the Tsinan incident subject to the findings of a joint Sino-Japanese commission of investigation. Mr. Yoshizawa proposed as a counter measure that both sides should forego claims for damages, but the Chinese refused to consider this on the grounds that 5,000 Chinese citizens were killed and Chinese property was damaged to the extent of several millions of dollars. Sino-Japanese negotiations again deadlocked.

*February 13*—After prolonged negotiations between officials of the Chinese Ministry of Railways and the Japanese military authorities at Tsinan, the Japanese agree to permit the Chinese Railway Administration to operate a certain number of freight trains over the Tientsin-Pukow Railway through the Japanese military zone about Tsinan. Japanese conditions are not disclosed, but according to reports appearing in the Chinese press, the freight trains must not exceed five miles per hour and must be subject to inspection by the Japanese military when they enter the Japanese zone from either the north or the south. No mention was made in the report regarding permission being granted to the Chinese to resume operation of passenger trains on the Tientsin-Pukow Railway.

*February 21—Reuter* report from Tokyo stated that Japanese Minister Yoshizawa had received instructions to reopen negotiations with Dr. C. T. Wang for a settlement of the Tsinan incident and that the National Government had been notified accordingty. The report did not disclose the content of Minister Yoshizawa's instructions, but a Japanese *Nippon Denpo* message from Shanghai appearing in the *Japan Advertiser* on Feb. 15 stated that Mr. Yoshizawa had recommended to Tokyo that (1) Japan is to consent to China's proposal for the creation of a joint-inquiry commission; and (2) that China is to consent to the limitation of the scope of the inquiry of the com-

mission regarding damages as well as other curtailments of the commission's powers.

*February 26.*—Namoru Shigemitsu, newly appointed Japanese Consul-General at Shanghai in place of Mr. Yada who was recalled, in an interview with representative of official *Toho* news agency stated that he planned to follow the instructions of Mr. Yoshizawa and denied that Baron Tanaka had given him any new instructions to be handed to Mr. Yoshizawa regarding the Sino-Japanese negotiations.

*February 27.*—General-Baron Tanaka, Japanese Premier, in interview regarding Sino-Japanese situation declared that the Japanese Government "had no intentions either to take any measures for the reopening of the negotiations with China, or to bring the negotiations to a close, but to watch the course of events, simply awaiting what attitude China plans to take toward this question."

*February 27.*—Dr. C. T. Wang, National Foreign Minister, in an interview circulated by the *Kuo Min* news agency "did not appear hopeful over the Sino-Japanese outlook," but stated that it would be incorrect to say that the pourparlers between Mr. Yoshizawa and himself had been completely broken off. Dr. Wang also expressed the opinion that while Mr. Yoshizawa seemed inclined to adopt an attitude conducive to a successful conclusion of the negotiations, that apparently the Tanaka Government was stubbornly over-riding its representative's desire to reach a settlement. Dr. Wang said, "until the Tanaka Cabinet awakens to the fact that a Sino-Japanese settlement of outstanding problems is impossible unless there is a radical change in Japan's policy toward this country, I see little hope of any satisfactory results from a resumption of conversations with Mr. Yoshizawa."

The situation in Shangtung Province precipitated by the return to that province of Gen. Chang Chung-chang, the former bandit-tupan, continued critical at the time of going to press, it being reported that Gen. Liu Chen-nien, who is in control of Chefoo will shortly be forced to surrender unless reinforcements can be sent him by the National Government. Reports from Chefoo on Thursday, Feb. 28 stated that the situation at Chefoo was tense with Gen. Liu anxiously awaiting ammunition from the National Government or from Gen. Bei Tsung-chi at Tientsin. It was stated that Gen. Chang Chung-chang was pressing in on Chefoo with 5,000 troops and that he was being assisted by Gen. Chu Yu-puh, former tupan of Chihli Province. The report also stated that Marshal Feng Yu-hsiang had a considerable force at Techow on the Tientsin-Pukow Railway on the northern Shantung border but was unable to advance against Chang Chung-chang, owing to the difficulties of crossing the Yellow River and the mountainous country north of the Japanese lines.

Seven foreign men-of-war are now in the Chefoo vicinity, the U. S. Light Crusier Trenton; British Magnolia and Cornflower; French Victor Hugo and Japanese Crusier Enoa with two gunboats. Japanese official *Toho* news reports stated that Gen. Chang Chung-chang had called on the Japanese military authorities at Tsinan in an effort to reach an understanding, but according to a statement of the Japanese Consul, Mr. Fukita, the Japanese had issued an order forbidding all Chinese troops from entering the Japanese zone.

## Shanghai American Chamber Holds Annual Meeting

The Shanghai American Chamber of Commerce held its annual meeting at the American Club February 26, when the following were elected members of the Board of Directors for the ensuing year: W. H. Bolton, R. J. Corbett, C. S. Franklin, C. H. French, U. G. Frondorf, S. C. Kingsbury, R. E. Luukley, V. G. Lyman, F. J. Raven, O. G. Steen and George E. Sokolsky.

The President of the Chamber, C. H. French, in the course of his annual address stated that in the matter of promoting goodwill between Chinese and Americans, the services of the Chinese-American Relations Committee throughout the year had been of great value, and through the efforts of this Committee contacts had been made with Chinese officials and business men which had made possible the frank discussion of questions of great mutual interest, looking towards the future industrial development of China.

## National City Bank Now Superseded as Largest Bank in U. S. A.

By the consolidation of the Guaranty Trust Company and the National Bank of Commerce in New York City, with combined resources exceeding Gold $2,000,000,00), the largest banking institution in the United States has been formed It now surpasses the National City Bank of New York whose assets total G. $1,900,000,000.

## Construction Committee to Continue Radio Activities

Chang Ching-kiang, chairman of the National Construction Commission, at a dinner given to Shanghai business men at the China United cafe February 27, made a speech in which he stated that within the next year two new high power radio stations will be built by the Chinese Government to communicate directly with Europe and America.

He stated that there would be no change in the management of the Chinese Government radio activities. The radio service, he said, would remain in the hands of the Construction Commission. This had been decided by the Central Political Council.

Following Chairman Chang's speech, C. C. Wang, acting chairman of the National Bureau of Radio Communication, told in more detail of the plans of the bureau.

"On the fourteenth of last January," said Mr. Chang, "the National Construction Commission inaugurated the first world-wide radio service engineered and managed by all Chinese personnel. With our crude home made machinery and a handful of young men, we have succeeded in filling an important gap in the field of international communications. This is not only an important event in the history of Chinese communications, but it contributes a great deal toward the progress of the world's trade and industry.

J. B. Powell, George F. Shecklin and Julean Arnold made brief responses on behalf of the foreign guests.

Among those present were Messrs. V. G. Lyman, C. J. Smith, S. C. Kingsbury, Roy DeLay, V. Meyer, Julean Arnold, George F. Shecklin, J. E. B. de Courcy, J. E. Swann, U. G. Frendorf, Hugo Reiss, M. J. Harris, J. B. Powell, Carl Crow, R. Calder-Marshall, R. G. Corbett, E. G. Zacharias, Glenn Kiner and J. S. Potter.

## Hunan General Flees Under Pressure of Wu-Han Council

Telegrams from Changsha, the capital of Hunan province, end of last week revealed a strained situation there. Owing to friction with the Wu-Han Central Political Council, General Lu Tih-ping, Chairman of the Hunan government, suddenly decided to leave, which he did surreptitiously. The *Kuo Min* news agency has made public the contents of telegrams dispatched by both parties to the State Council at Nanking. General Lu claims that the Wu-Han authorities, taking advantage of the fact that the Hunan provincial forces scattered over the province were engaged in bandit suppression activities, suddenly dispatched a large army into Hunan on February 21, The suddenness of the attack rendered any preparation for self-defense impossible and being reluctant to plunge the war-torn city of Changsha into further turmoil, he decided to escape. He left Hunan by boat, arriving at Nanking February 26.

On the other hand, Gen. Li Tsung-jen, chairman of the Divisional Council, charges that General Lu "tolerated bandits, sheltered Communists, usurped and abused financial power," etc. and as he assumed a defiant attiude the Council decided to dismiss him.

The Nanking authorities are taking the stand that the Wu-Han C. P. C. had exceeded its authority both in dismissing General Lu and by engaging in military activities without authority from the Central government.

## Moslems Start Another Rebellion in Kansu

News was received during the week by the Associated Mission Treasurers from the Rev. W. W. Simpson stationed in Kansu that the Moslems in that province have again rebelled. They returned 20,000 strong and are reported to be associated with Wu-Pei-fu and other Szechuan warlords, whose purpose is to drive the Kuominchun from the territory. The Moslems and their confederates now control all South Kansu except Tsinchow and Kongchang. The outlook is extremely dark, in Rev. Simpson's opinion.

## Shanghai Office of Shipping Board Is Closed

Victor Smith, who was in temporary charge of the U. S. Shipping Board office in Shanghai, has been ordered to proceed to Calcutta to make an investigation of Shipping Board interests in India. The Shanghai offices of the Board were closed as from March 1. The order to close the Shanghai office followed as a result of the lessening of the Shipping Board's interests in the Far East, following the sale of the Pacific lines.

# Overseas Chinese Patriotism

BY DAVID TUNG-FOO HSU (徐東甫)

THE writer has previously dealt in the *Review* in brief manner with the Malayan Chinese patriotic manifestation and readers will surely remember the vast sum contributed by overseas Chinese towards the recent Shantung Relief Fund. The writer being on a tour throughout the Peninsula, is here endeavoring to present in the most frank manner their high expentancy and earnest yearning for the advent of the New China, and their virility in backing up the common cause in the recent Nationalist movement. It is highly important to know how and why they contributed such a big sum, which fact is most unfortunately being ignored by our home folks. But as the overseas Chinese are evidently going to play an important role in the reconstruction and rehabilitation work of their mother country, it is high time to cultivate a mutual understanding between them and their compatriots at home. Better understanding of each other begets more cooperative results.

To begin with, it would be not impertinent on the part of the writer to remind the readers, especially those in China, of the fact that the recent expression of the overseas Chinese fervent patriotism is not a transient or ephemeral emotion due to outward stimuli, but is none other than a timely and worthy display of their long-abiding and unchangeable love towards their Fatherland. They are longing dead-in-earnest for their most beloved country, though at present war-torn and bandit-trodden; they are praying with heart and soul for its immediate prosperity and restoration to an equal footing among the family of nations; they are ready to fight for its aspirations at any cost and to the last. Their generosity and sagacity in voluntarily shouldering a large share in financing the Chinese Revolution from 1911 up to the present, not to mention their liberal contributions towards any benevolent funds, have irrefutably shown themselves to be worthy sons of their Fatherland. Should they not, therefore, deserve the tenderest care and attention of their present home Government at Nanking? Let our National Government take every precaution to prevent any possible thawing of the overseas Chinese enthusiasm in the real sense of the word, and take considerable care to give them more encouragement by attaching due importance to their worthy wishes, and by actually convincing them that the National Government is wholeheartedly considering plans "for the people" thereby distingushing itself from its predecessors, whose sole pursuit is mercenary and selfish at the expense "of the people." Indeed it is delicate matter for the National Government to take fond care of the budding flower, so called, that is planted on the bed of overseas Chinese patriotism; and if the plant is not watered by an honest and efficient Government on which reliance can be placed, every valor and effort on the part of overseas Chinese will prove to be futile and hopeless. This does not mean their lack of confidence in the present National Government. What it does mean is simply to point out the blunders incurred by the government of the past regime, in order that the present Government, commanding respect throughout the country, might not fall into the same slough of mistakes.

Owing to the corruption and misgovernment of the preceding regime, the overseas Chinese, with their heart down in the mouth, seldom if ever, took much interest in their home affairs as now. It is not until the Chinese national awakening, as demonstrated by the recent military achievements of the Revolution, is at its zenith that they begin to renew and recover their shattered hopes. They verily prove themselves to their countrymen at home that they will no doubt play an important part in the making of the New China. It is therefore with every reason and sense to hope that the national Government will take advantage of the situation hand and heart and be sure to make good use of every cent that our toiling compatriots abroad with boiling blood and sun-burnt flesh earned to contribute. Every cent they might spare to contribute is every drop of their perspiration. What would people think if even one cent were abused?

### The Prevalent Misconception

British Malaya has been unmistakably known as the Eldorado for the poverty stricken but industrious Chinese, mostly from South China. For centuries they have rushed to the place empty handed, never dreaming that some day they would accumulate such a big fortune and live in magnificent villas with motor cars and every convenience of modern life. A trip to Penang, the so called "Jewel of Malaya," where the climate being compartively mild and salubrious, the wealthy and opulent Chinese usually gather round as a health resort or sanatorium to recuperate their exhausted strength after constant drudgery in trying to make more money, will give you a general idea of the vast wealth honestly earned by our worthy exiles from home. You will see piles after piles of splendid buildings possessed by the Chinese. But we must understand that opportunities were only available some decades ago, when the country had not been so developed as it is today and fortunes could be accumulated overnight if one happened to strike into the hands of Dame Fortune; moreover those fortunate towkays (an honorable title for the wealthy Chinese) are only the few select representatives of the whole Chinese population numbering about a million in British Malaya. They form only a trivial percentage. When we extend our outlook to other classes of the community, the rickshaw pullers and craftsmen of various description, shopkeepers, tin-mine workers, laundry men, chauffeurs, and, if we include clerks and school teachers, and what not, you will simply be amazed at finding that the overwhelming majority of the population are struggling hard to save a little for their children, wives and parents at home. Besides they have to bear the oppressive and constant heat of the tropical sun. And it is not a rare case that oftentimes a sinkeh, or a new comer, not acclamatized, succumbs to the unbearable heat. Therefore expeditious compatriots out here of what ever calling they might be engaged, are really not all such lucky chaps as people might imagine.

### Financial Crisis a Real Trial for Them

As readers know, Malayan Chinese are facing a general and unpreceding financial crisis resulting from the abolition of Rubber Restriction since November 31 last. Prior to the removal, people out here rather entertained a great hope for the rubber market prospect. But since enforcement of the removal, what has been the effect up to the present? The rubber market is just as gloomy as it was before. Rubber being the staple product of the country, the social and financial situation is more or less pivotal upon the rise or fall of its price. Now up to the time of writing, the price is only 40 cents a catty. The highest had been $2 a catty. What a precipitous fall the rubber industry has had, the worst ever experienced! The next important industry is tin-mining. This industry is, more or less, of adventurous nature due to uncertainty of mining evaluation. This year many miners, mostly Chinese, have lost heavily. But in spite of all these trials and hardships, they are always ready to respond to the call of their Fatherland for financial help.

It deserves our serious attention that we must give every credit to their valor and tenacity in sponsoring the common cause, without which they would have given up for their own good. Overseas Chinese are patriotic and liberal in contributing funds for the benefits of their Fatherland, not because they are superabundantly rich or merely "spare a hair from nine oxen," but simply because they entertain a broad vision and realize the import of the Chinese proverb that every member of a country is responsible for its rise or fall.

### The Immigration Question

Moreover, thanks to the foresight of our local Government in this country, Chinese labor is receiving an unexpected death-blow accorded by its benevolent policy. I say it is unexpected, because Chinese labor is largely responsible for the present prosperity and development of the country, but now Chinese labor is considered to be undesirable and even dangerous. It is but recently that a Chinese immigration bill has passed its committee stage and has invested absolute power in the hands of the Governor of the Straits Settlements to restrict any undesirable Chinese from immigrating into the Colony. After rendering unexampled services towards the development of the present prosperous city, and when considered to be possible but not surely, capable of being replaced by Indians or natives, Chinese labor is just cast away in the most ungrateful manner. Well, it is but natural as well as premonitory as said by a Chinese proverb: "When all rabbits are hunted up, the bow is liable to be spared." But how ridiculous and ungrateful it seems.

The Chinese community in this country naturally raised strong protests and are trying to bring as much pressure as possible to bear upon the local Government to rescind the discriminative, if not antagonistic, measure against the Chinese. But what can they do besides pounding on the table when privately discussing the matter in their club houses, and distributing some pamphlets which seldom attract much attention of the public or kindly eyes of officialdom. Oh! Overseas Chinese are just like a lost child deserted by its parents! and such parents are just meek and incapable to take proper care of their child. But oftentimes when they stand in need of it, they would never fail to give it a caress, caress only!

To arrive at the point, we would not be impertinent to remind our countrymen at home that the overseas Chinese are experiencing serious trouble and a stumbling block on the way in their up-hill struggle. Why don't you care to help us out just as we are eager to help you! The principle of reciprocity is applicable here and urgently demanded!

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# Eastern and Western Vices and Virtues

BY J. A. J.

ANY discussion of Chinese life and character—character because characteristics emerge from character—is at once interesting and illuminating. If one knows a people's character well enough one would have no difficulty in understanding characteristics which otherwise might surprise one. The subject is of the greatest importance because it is part of the search after truth with particular reference to our relations with the rest of humanity. Plato compared his fellowmen to people chained in a dark cave with their backs turned towards the light and only allowed to watch the shadows as they flitted past on the wall. They could not see what was really going on but the lucky ones among them lulled themselves into the belief that they saw the real world before them. Plato noticed that in Athens: he would be more struck with it if he could come to the foreign settlements in China where a large number of foreigners live in a world of shadows and are too ready to take them for realities. If by meeting together and exchanging ideas we can get to understand something of what we see before us it will be some advance on the road to truth. That is if we desire to seek truth. The Greek philosophers thought it was only necessary that a man should know the truth to seek after it but we have learned since then that it is one thing to know the truth and another thing to follow it. The Washington Conference ended in the Powers making very world-shaking decisions but a few of these decisions were permitted to evaporate, especially by the Japanese militarists who are forever on the watch for an opportunity to intimidate the Chinese with sabre-rattling. Since the signing of the nine-Power treaty in reference to China many things of far-reaching importance have taken place, culminating in one Western Power after another entering into new arrangements with the Chinese Government, Another step in the right direction is the increasing interest in aviation. The peoples of the world are getting nearer and nearer each other and it is to be hoped that in time man would be able to eschew all thoughts of his own superiority over his neighbors.

In considering the relations of East and West, we should strip off all those trimming and trappings which we wear but which are not part of our essential lives. It is not fair to compare ourselves by the mere accidents and adornments which circumstances may give us. Some people consider Progress to be wholly dependent upon dollars and cents; others, more sane-minded, define Progress as care of self, family, society and humanity at large. We vaunt ourselves on "progress" in the West but in many things we are behind the peoples of the East. You may dissent from it in principles if not in practice but if someone were to offer by a stroke of the magic wand to give us "truth" or ten thousand a year each, there can be little doubt as to which most of us would choose but if we choose money we would be choosing wrongly because, as Gilbert discovered, when we all have ten thousand a year we are no better off than when we had one. This is a point to consider when we see swarming masses round us apparently very badly off. They may not be as unhappy as they seem as we look at them from our motor cars or from wherever else we lord it over them.

If we take pains to prepare a chart showing the divergence from one another of Western and Eastern races since they started together at the period of Early Man, we would discover that the divergence since the Middle Ages had become more acute. The West having become rich and powerful, the divergence has become much greater than it was a few hundred years ago. The West has had such a good time and so many opportunities that it has become more and more difficult to get into touch with people who live in a different way. Only by study and sympathy can we draw nearer to people of different civilization and color.

### The Question of Color

The most insuperable difference is the color bar. We feel and partly acquire a feeling of contempt for people who are not so pleasantly bleached as we are ourselves. Let us recall our ancestors. We shan't go back to the Ice Age because we will find it rather cold but let us go back to the pleasant days when mankind first found it possible to subsist without getting into caves—when civilization began to dawn. Those days must have been passed in some warm, tropical climate and, whether we were all one family or not, there was not very much to choose between us in point of color. We were pretty well browned, if not blackened, by the sun. Subsistence became difficult and we outsiders,—because it appears that the negro was then considered a higher type than ourselves,—had to begin moving north and south to a colder climate and we began to lose that delightful color which we now associate naturally with the negro. We became that nasty bleached color which we see among ourselves to-day. Some who went north, like the Chinese, also lost their black color but not going into a misty climate they chose the rather yellowish color we see and not the dull white we acquired and are now so proud of. If you are "top dog" you can make anything you have got a subject for pride but it is not sufficient ground for despising other people. We must look for some more solid ground of superiority than mere color.

### The Quarrelsome Westerners

The Western races are quarrelsome people, always at war with one another, conquering or fearing conquest. China thousands of years ago, got into a fairly comfortable situation, settled, not later than 3,000 B. C. in the valley of the Yellow River and there developed a civilization. The Chinese got civilized and we didn't but later we developed an equivalent civilization and, being at present "top dog" we have called ours "Civilization" with a capital "C." Scanning our list of Western virtues, courage, efficiency and the like, we cannot blame ourselves and we cannot congratulate ourselves on them. There we were, a lot of small tribes always fighting one another. Consequently we got virtues which we particularly pride ourselves on: they are very numerous and the subject of congratulation in all the die-hard papers. Efficiency is one—a very good virtue; courage is another, an excellent virtue—always hit the other fellow before he hits you! "Enterprise" is a virtue naturally essential for island races such as the British and Japanese.

### Considered Moral Questions

The Chinese settled down and engaged in moral discussions—they considered how to live their life together. They did not care much about the central government,—village and communal life was developed. The people developed a care for those humble and to us rather despicable virtues, wisdom and goodness, and there was a great deal of interest in China in discussing the duties of man to man, what virtue should consist of, and how people could live together peacefully and harmoniously. Going back to the earliest remains of their writings there was apparent no misunderstanding at all as to what moral virtue was but coming down to the Greeks, 1,500 years later—the prophets of the Western races—there was a great deal of doubt as to how a man was to behave apart from any beneficial results to himself.

The Chinese have a great respect for productive labor. They are most anxious to foster the artisan and agricultural works of the nation and in this respect they are unsurpassed anywhere. They have a contempt for the professions of force and violence and for the trader—in the primitive trader there is not much call for brain work and he is addicted to sharp practice. In China the warlike professions have not been made respectable as they have with us; the different standpoint in this respect is due almost entirely to a different history. The individual in the West has unlimited freedom to make what he can out of his neighbor but the feature of the Chinese organization is that the individual can only make what he can, having regard to his neighbor. The acquisition of a fortune is very jealously regarded.

### "Cleanliness"

In regard to Western virtues and Chinese vices, we pride ourselves in regard to our virtue of "cleanliness." If we could go back to our forefathers we would be repelled. The Chinese might be a little behind us at the present day in cleanliness but Shakespeare and Dr. Johnson would be more unpleasant to us in that respect than our Chinese neighbors are. The Western virtue of "concern for physical suffering" is a virtue of a life of well-being and leisure. Sensibility in this matter depends a great deal upon the hardness or softness of the life one lives. Shakespeare and Dr. Johnson did not bother much about physical suffering; they laughed at a fellow who was suffering. There is a passage in "Boswell" about skinning eels alive which shows no sympathy with the eel. When you live comfortably, it is easy to treat the cat nicely, to sit in an armchair and stroke it, but if you have a big family and the fifth share in a crowded floor you cannot bother very much about the cat: it must fend for itself. And if you get 20 cents for carrying chickens in a crate, however nice it would be to give them all plenty of accommodation, you cannot afford to make two journeys if one will do. Our Chinese neighbors do not regard us as so very much ahead of them when we go out to shoot birds. But it is a "noble sport" and puts us above

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# What a Province May Do When at Peace

BY HIN WONG

THE Province of Kwangsi in South China, long neglected by the Chinese Empire and, subsequently, the Republic, has in the last two years succeeded in effecting many civil, educational, financial, and judicial reforms in the Government, aside from the several important measures in public works and economic advancement. The noted achievements include the unification of provincial civil administration, centralization of public finance and accounts, the gurantee for an independent judiciary, the inauguration of a state university to be the crown of the provincial system of education, and the opening of a highway which is now passable for motor transport from Wuchow to Nanning, the present, and Liuchow, the future capital of Kwangsi.

Even in the more advanced provinces of China, such success as made in Kwangsi would not fail to attract popular attention; and this is more interesting when considering that this province was less than three years ago a battle-ground for ill-advised and selfish political cliques of a party still influenced by the "Reds."

The Government of Kwangsi as now constituted consists of an Administrative Council which holds supreme executive and legislative power, and their acts and laws are executed through four principal government bureaux:—The Bureau of Civil Affairs; the Bureau of Finance; the Bureau of Education; and the Bureau of Reconstruction. Each bureau has a number of sub-departments. The administrative area of the Province is divided into 94 districts each of which is presided over by a district governor or magistrate, who holds not only civil, but in many cases, military powers, at time of disorder or disturbances, and when invaded by rival political cliques or bandits and pirates.

### Many Improvements

For a number of years in Kwangsi, like other parts of China, when there was no Central Government and the provincial authorities were weak, divided, or disorganized, the magistrates had become tyrants and maladministration had become a rule; but in 1927 and 1928, upon the inauguration of the present Administrative Council, only persons having had experience or known to be straight by reputation were appointed to office in the districts, and other aspirants to office had to subject themselves to a rigid civil service examination. At the same time, the Commissioner of Civil Affairs, who is the head of the civil division of government of the Province, had inspectors touring the country to study conditions with power to recommend reforms and remove injustice or grievances complained of by the people. Although the first examination did not pass many candidates, the close supervision exercised by the provincial over local governments since then had helped to eliminate many abuses and improved the morale of the district administrations. Now-a-days, an expectant magistrate has to serve for a time as a cadet or learner in some government department before being given an acting appointment.

When the present Administration at Nanning was inaugurated some three years ago, its first duty was to restore peace and order, and this was done by clearing the districts of bad characters—bandits, pirates, and ex-soldiers—who, in many instances, had replaced the once town and village governments. This was effected through close co-operation with village and town authorities, local constables, and the regular troops stationed nearby. Local constables formerly supported by the villages were later made part of the provincial civil police, and provincial funds were appropriated to supplement local income or endowments devoted to service of public safety.

Modern police system has been put in full operation in the cities of Wuchow, Nanning, Liuchow, Kweilin, Lungchow, Poseh, and other important cities of Kwangsi, and the Provincial Bureau of Finance last year, in addition to their local revenue, assisted these cities with a total contribution of more than $130,000. For a time the local governments were able to raise not a small sum by granting licenses to brothels, opium-smoking, and gambling, but since last June these evils were practically suppressed in all the districts, at least nominally or as far as the authorities were able to control.

### The Principal Obstacles

Some of the most serious obstacles to political and social reforms in Kwangsi, like other parts of China, have been the superstition, ignorance, and indifference of the great mass to measures really for their own good; and to push things on, the spirit of thrift and higher morality was generally preached throughout the Province the last year or two. Opium-smoking and gambling were made a crime when committed by officials, the punishment being extended to loss of civil rights to further hold office; and official dinners could not cost more than ten dollars, local money, a table for eight persons; and such things as gorgeous wedding and funeral processions or temple festivals were discouraged and, in certain places, greatly limited in scope or prohibited altogether. All temples without patriotic or ancestral significances had been confiscated, and their former endowments and income were to be made a part of the state income for public education. Despite the great income from brothel licenses, in some places more than $250,000 a year, public prostitution was made a crime last year, and so gambling and opium-smoking which, one time, gave the former administration many million dollars a year in public income or official gitts, otherwise known as "black money."

Municipal governments were during the last two years inaugurated at Wuchow. while Nanning, Liuchow, Lungchow, and other more important cities have been enjoying some sort of local management. At the present time, there is doubt if there could be found another Chinese city where the streets are so clean and well-paved and public utilities controlled by the government so efficiently as those being enjoyed at Wuchow, an open port on the upper part of the West River leading from Canton. Absence of politics by its freedom from the presence of office-seekers in this city has allowed the local officials to do their best for the citizens, and any visit to this port will find large recreation grounds and a number of sporting clubs to make one pleasant, aside from the newly established factories for cigarettes and other articles now coming into the life of the people who represent the merchants of Kwangtung as well as Kwangsi.

Village governments presided over by elected trustees with approval of the local magistrates are gradually becoming popular as substitutes for village councils or the ancient order whose practice and spirit, while good in their days, are no longer able to meet the present situation in preparation for a republican government in China, in which national officials and legislators will be chosen by the people of the country, instead of being appointed by the executive committee of a political party only.

### Dispute Arbitrated

Thd Bureau of Civil Affairs of Kwangsi has a special department to arbitrate disputes between employers and employees, and perhaps Kwangsi has been the only province within the internecine war zone which had not her share of labor feuds and destruction of territory through the advent of "Reds" first imported into China by the head of a political clique some five years ago.

During the last two years a census of the population of Kwangsi was taken and, according to reports from 93 districts and investigation made in 843 precincts, there were in 1927, 84,252 villages with a total of 1,859,697 individual households. These all reported a male population of 6,074,408, female, 4,879,229; or a total of 10,926,637.

Aside from the socialized inhabitants of the Province of Kwangsi who are regarded as Chinese by origin or civilization, there are also the peoples of *Yao*, *Miao*, *Tung*, and *Chwang* who have, more or less, a dialect and a custom of their own and who have been living as independent tribes in the remote districts of the Province and, while not strictly opposed to, have been indifferent to surrounding Chinese laws and customs, particularly the *Yao* and the *Miao* Tribes. The *Tung* and the *Chwang* have become somewhat localized and embodied into the Chinese social order in most cases, and they are no longer a serious problem and, in certain districts. only their dialects and certain habits which are a part by themselves show any mark of difference.

The Provincial Government of Kwangsi, through the Bureau of Civil Affairs, have taken political charge of these independent districts or tribes, subjecting them to civil laws of the nearby regular districts and exercising jurisdiction over them all, thus abolising the custom in these tribes of government by chiefs, some of whom were hereditary. In the meantime, schools would be open in these remote districts to educate the youths to Chinese civilization. Of course, in actual practice, many *Miao* and *Yao* tribes will maintain their own peculiar and not always bad form of government and customs for some time. According to those who have visited the *Miao* and *Yao* peoples, these tribes have during the last few years fared by far better than the rest of China, as they had not been a part of the militarists' internecine war. Some 14 unorganized, or independent native tribes or districts, were incorporated as a part of the civil jurisdiction of Kwangsi on July, 1928.

### Successful Rice Crops

In 1927, Kwangsi had a very successful year in her rice crops, and the Government returned to the ancient prcatice of requiring the district magistrates to put up grain in preparation

for years of shortage, and more than 30 districts did as ordered. It happened that 1928 was a year of want, on account of the drought which prevailed in many parts of China. While there had been great suffering in 1928, the ancient practice in this regard had certainly furnished some relief to certain districts in a small way.

To relieve the present famine prevailing since the autumn of 1928, there is now a relief commission sitting at Nanning charged with the duty of bringing help to the people.

For a time, charity was only a function of the public organizations of the people; and since this has become mismanaged, the Province has now assumed part of this duty, and a hospital for lepers has been opened at Nanning and several others for civilians in the larger cities like Nanning, Wuchow, and Liuchow. In all these hospitals, physicians and surgeons practising the Western science of medicine were employed the last two years, and this policy is likely to be continued. In hospitals like that at Liuchow, there were also women physicians and nurses specializing in maternity cases. The mass of people in Kwangsi, however, are still inclined towards the Chinese science of medicine which depend mostly on herbs, most of which are imported; and so far Kwangsi has no known districts where medicinal plants may be found.

In financial reforms, the Kwangsi Government were able without much difficulty to deny the militarists in the districts the privileges of imposing taxes at will on the helpless unarmed people but, at the same time, to unify the methods of tax collection. Since July, 1927, all miscellaneous imposts on goods in transit have been abolished and, as a substitute. 16 *likin* stations were established; and tax paid at one station would free the cargo from further interference within the province. The former methods of farming out taxes to individuals or syndicates for collections are now no longer used in Kwangsi. Every cent of tax proceeds now goes to the Government Treasury and, aside from the tax collectors who are in immediate charge of assessing and collecting according to a schedule which divides articles within Kwangsi into seven classes for the purpose of assessment, the Government have inspectors to supervise the local tax administration and also to prevent smuggling to escape duty payments. Salt sale and transportation form a separate tax division in Kwangsi, and its import tax ranges from $1.40 to $2.40 a picul. For a time in Kwangsi, and now still in existence in Kwangtung, there were numerous forms of contributions exacted on goods in transit, aside from the *likins*. Now Kwangsi has abolished all these, except certain military imposts collected under peculiar circumstances at the early period of the internecine war in South and other parts of China. The Kwangsi Government, before the final abolition of the opium traffic by the Central Government, permitted the drug to pass Kwangsi from Yunnan or Kweichow to Kwangtung by charging an impost of 50 cents, local currency, a tael; and this did away with the evil of smuggling through. The greatest reform achieved during the last two years was perhaps the revision of the farm tax schedule by a resurveying of the lands to correct the measurements and a re-valuation of the deeds.

### Lotteries Made Illegal

At present only nine out of 94 districts in Kwangsi are permitted, under special conditions, to impose certain local taxes for local purposes with rates and regulations approved of by the Provincial Government. Practice of raising funds by running lottery and the like has been made illegal; and gambling, which once gave the Government a large annual revenue, has been abolished, except in a few places where the monopoly granted still has some time to run. There is still a local tax on goods shipped in by parcel post, however.

Pawn-brokers are still allowed to operate in Kwangsi under special license, but they are not to charge over 25% interest *per annum*.

A business license of one per cent. is imposed on all new firms according to their capital: but small shops with less than $200 begin with will have to pay but a dollar, for registration.

Heavy rates are imposed in Kwangsi on luxuries,including toilet articles as well as wine, tobacco, and the like.

Book-keeping and accountancy in Kwangsi public finance have now been much simplified by adopting the modern science of keeping books and the use of the dollar, instead of the tael, as the unit of standard.

All receipts and payments by the public offices in Kwangsi are now subject to final accounting by the Bureau of Public Finance of Kwangsi, which is the highest authority in the Government on fiscal affairs. All collecting offices have to make their monthly reports according to a fixed date.

Since February, 1928, the Kwangsi Government have withdrawn all their treasury notes and all outstanding issues have been accounted for.

The figures for 1928 being still unavailable, the budget of 1927 gave a receipt of $26.716,125.71; and expenditure of $27,698,455.32. The Government at the beginning of the fiscal year decided to spend but only $20,000,000 for military and civil administrative purposes; but the "Red" uprising in the neighboring province alone had cost Kwangsi more than $2,000,000 to help to suppress; and Kwangsi has up to the present to still remit more than $250,000 monthly to Hankow to keep up the original Kwangsi Army there.

### The Provincial Bank

The Provincial Bank of Kwangsi has now been made the fiscal agency of the Kwangsi Government, and it is authorized to issue notes for general circulation on the local market. The Bank has its head-office at Wuchow with branches at Nanning, Liuchow, and Kweilin, besides a number of agencies in the larger cities of the Province. The Bank issues notes in the denominations of $1, $5, $10, which have been made legal tender; and the subsidiary coins of Kwangtung issued before 1920 were before the opening of the Bank used as local standard, and they still form the recognized standard in the remote districts of Kwangsi. For the past few months, however, on account of the importing figures exceeding by far the exporting, the exchange rates have always gone against the Kwangsi banknotes, and it now requires $1.30 to $1.40 Kwangsi to exchange for a dollar Kwangtung; and more than $1.80 Kwangsi for a dollar Hongkong. An effort is being made to unify the currency of Kwangtung and Kwangsi and also to adopt the big dollar standard; but until the Central Government in Nanking is able to enforce a national standard, this chaotic condition will remain.

The habit of the people of Kwangsi to obtain small loans through the pawn-shops has not been given up, despite the advance of banks; and the Government, seeing this, have opened a few such shops in Wuchow, Nanning, Kweilin, Liuchow, Poseh, and Lungchow.

Lately the Kwangsi Government have made the sale of tobacco a government monopoly, and a factory for cigarettes has been established at Wuchow. Sales of foreign tobacco are not at all prohibited but required to be distributed through government channels, and this appears to have received strong opposition from the outside firms. Foreign tobacco is still on sale in Kwangsi but the price is soaring, as the stamp duty is pretty heavy.

### The Question of Finance

The financial situation in Kwangsi for 1929 will undergo some readjustment and the problems created by the national tariff and opium suppression order will require some solution on the part of local leaders. The Kwangsi Government have been receiving no small sum annually from the opium transit tax, when Yunnan and Kweichow merchants were permitted to ship their drug through Kwangsi; and since February, when the new tariff of China came into effect, the special tax on petroleum oils would no longer become a local one. Several other items which at first went to the province will now have to go into the national treasury. Of course, some of the present local burden, including the support of the army, may in the future be carried by the Central Government. The Kwangsi Government have spent not a small amount on the improvement of the telegraph and the radio service which, according to national policy, should have become a work of the Central Government. For the present, Kwangsi has not yet fully considered the means to make up her income upon the reorganization of the national fiscal programme.

Much progress was made in education in Kwangsi the last two years. In 1927 alone, 938 more higher and lower primary schools were opened, according to a report of the Bureau of Education. This figure does not include those founded in previous years and the ones opened in 1928.

Lately the Bureau of Education established four industrial schools for girls, one each at Nanning, Wuchow, Liuchow, and Kweilin. Girls are taught weaving, rattan furniture making, tan works, embroidery, photography, sewing, dress making, hair dressing, and other trades. Chinese Arithmetic, Bookkeeping, and elementary physics and chemistry are given as elective courses.

On October 10, 1928, the Kwangsi University began its preparatory school at Butterfly Hill in Samkoktsui, Wuchow. Before this, the Province has already a number of middle and and normal schools in the important centres like Nanning, Liuchow, Kweilin, and Wuchow.

### An Educational Conference

Last summer, under the auspices of the Bureau of Education, the Government held an educational conference at Kweilin,and noted educationists from Nanking, Peking, Canton Shanghai, and other Chinese educational centres were invited to deliver lectures; and all teachers of the middle and normal schools and others interested were requested to attend.

Libraries and reading rooms and the popular educational movement to teach the mass to read simple characters have been so far more of the work of local educational authorities.

and hundreds of schools are these days open at night to give the workmen and farmers a chance to learn.

Aside from the university budget which spends more than a million dollars the annual grant of the Government to support education would amount to more than $1,600,000.

Administration of justice in Kwangsi has been for some time put into the hands of a judicial department which is almost independent of the Provincial Administrative Council, the highest authority in the Province.

District magistrates or governors now have no judicial power, although some of them in remote districts are still invested with the duty to act concurrently as a justice of his district. Now as far as possible, only persons having had a legal trainmg or experience are appointed to the benches of the higher and lower courts in the Province, and their pays have been much raised. A judge of appeal, or inspector with power to review some of the findings and decisions of the lower courts, tours the districts to report on the condition of the court and gather information on the personnel or efficiency of the judges. Candidates are appointed to the minor offices in the courts only after an examination, and in many cases, clerks to the courts in Kwangsi have qualifications not only to practise law but also to hold court when given the opportunity. To advise the judicial department, there is a law commission.

### A Supreme Court

The Province of Kwangsi has now a high, or supreme court located at the capital of the Province, Nanning; and six circuit courts of appeal, and 85 districts, or courts of first instance. These six courts of appeal may hold sessions outside the city where they are located, and at present 20 or more districts have what may be termed branches of the circuit courts. Each court has a presiding judge and a number of judges. Attached to these courts are six prisons for criminals; three for juvenile offenders; 14 reformatories; and 93 houses of detention. Most of the prisons have workshopsu where inmates may earn something which would be returned to them when their time is up.

Pubtic works and improvement in Kwangsi and the functions of trade aud industrial promotion are charged to the Bureau of Reconstruction, now the largest government department in Kwangsi.

More than 5,000 *li* of public highway were built the last two years, and nearly 4,000 *li* have been opened to traffic; and up to early 1929, 300 motor-buses operated by some 40 different companies were running the roads connecting more than 20 cities in Kwangsi. The Province has projected five trunk lines and these, when completed, will connect the Provinces of Yunnan, Kweichow, Hunan, Kwangtung, and French Indo-China at Longson.

The Kwangsi Government in the last two years have erected three radio stations at Nanning, Liuchow, and Wuchow, and are preparing to do the same at Lungchow, Kwelin, Watlam, and other places. Several thousand *li* of long-distance telephone wires have been put up, and in several districts, the system is in operation. Local exchanges are found in Nanning, Liuchow, and Wuchow; and when the system is all finished, the leading cities and towns of Kwangsi may call on one another without difficulty. In the last two years, when the Central Government was disorganized, the Bureau of Reconstruction of Kwangsi advanced funds to repair the local telegraphs, and a service has always been maintained by the National Government.

### Conservancy Work

The Bureau of Reconstruction of Kwangsi is preparing to go into active conservancy service; but on account of shortage of funds, only surveys of the rivers within the Province have been made; and in the last two years, 79 rapids on the upper West River were examined and reports, made; and 81 different places were inspected between Nanning and Poseh. So far study on the problems is still in the hands of experts in the Bureau of Reconstruction and, as soon as funds are available, active work to improve the river transportation system will be made.

The Bureau of Reconstruction also has in charge the several organs of the Government to study, promote, and extend agriculture, mining and industry; and nearly $7,000,000 a year is spent on the several departments of service under the direction of the Bureau. Beginning the first of February, 1929, the Institute for Industrial Developments has been reorganized as the Department of Agriculture of Kwangsi. Industrial chemistry and various kinds of agricultural tests and experiments which first belonged to the Institute will now become the functions of the Department. Forest reserves, settlement and land reclamation work, and other services will also become a work of the new department. The Government have now in operation a number of industrial plants which were at first used as models to the people or to carry on required service which the people still have no shops or factories to perform for the Government or the public. As soon as the people themselves in Kwangsi or some enterprising persons abroad would come in to be substitutes, the Government will cease carrying on things which should be done by business men.

The Government, through the Bureau of Reconstruction, are operating a tin mine in the Fu-Hoh-Chung districts; and mine surveying parties are now on the field to do more prospecting work. Except getting a royalty, the Government of Kwangsi will grant mining privileges to all under regulations which appear to be fair to many.

Kwangsi has lands without man or financial power to cultivate; and mines still unable to attract large capital to open; and opportunity still unrealized by persons in and outside the Province. Unless outside assistance is offered, the Province will be unable to develop her natural resources as early as necessary. The people of Kwangsi today are still poor, despite the recent awakening on the part of a few of their leaders.

### Economic Reconstruction Programme

The constructive programme of Kwangsi for 1929 will not be so ambitious as that of 1928 which, despite the severe famine and the greatest fire ever known at Liuchow, saw considerable progress along the lines of agricultural and industrial reforms and advance, as far as experiments were concerned, in addition to the increase of mileage of public highways.

An outline of the desired programme for 1929 and a few mentions of the proposed principles and policy to be followed in the economic activities of Kwangsi for this year may be of interest to those who wish to know something of this once almost unknown corner of the Chinese Republic but now probably the best governed province of China.

At present and for some time to come, the Kwangsi Government, through the Bureau of Reconstruction will still give much attention to the problems of communication, a solution of which will greatly assist the development of agriculture, mining, aud other industries. Since February 1926, the Government have had a special official to be responsible for road construction and, since then, more than 5,000 *li*, nearly 2,000 miles, of motor-roads have been built; and today most of them have been open to public traffic.

Five lines of highway aiming to connect Kwangsi with other provinces of South China have been projected, and the work has begun and, in some cases, only a short distance has to be completed before a line may be said to have been wholly opened. There is one pointing north to connect the Tien Nan districts along the Yunnan border with the district of Yingtak in Kwangtung so as to enable Kwangsi to avail herself of the advantage of the Canton-Hankow Railroad along the North River section of Kwangtung Province. Another line is to connect the port of Lungchow with that of Wuchow, two of the three open ports of Kwangsi open to foreign trade in the days of unequal treaties. A third line is to connect Liuchow with the Province of Kweichow at Kweiyang and the Province of Kwangtung at Yamchow in Southern Kwangtung. A fourth one will connect Samkong at Kwangsi with Limchow in Kwangtung. A fifth to connect Kweilin in Kwangsi with Yungling in Hunan. There is also a special line from Tien Nan in Kwangsi to Yunnan by way of Poseh. Therefore, in a few years, the leading cities of Kwangsi will be able to despatch their goods and products overland to Yunnan, Kweichow, Kwangtung, and Hunan Provinces, thus finding transhipment points on the Yangtze and the Pearl Rivers as well as the ports in Southern Kwangtung and those in Indo-China. There is already a motor road between Lungchow in Kwangsi and Langson, Tonkin, in French Indo-China.

Kwangsi has been able to build many roads through a surtax on farm lands, special assements on the districts directly benefitted by the improved means of travelling, and loans from the Provincial Bank of Kwangsi.

On account of the short time taken to build these lines, the surveying and methods of construction could not have been perfect; and the next stage following the hastening of the completion of the projected lines will be more attention to maintenance. Attention is also to be given to the relationship between the workmen and those in charge of them and the Government so as to avoid any of the difficulties which have prevailed in many parts of China during the last few years.

### Road Maintenance

The maintenance work of the lines is being done through a number of superintendents and engineers having offices in important districts, and in some cases, these road maintenance offices also supervise the motor-bus traffic service operated by private companies or individuals. In a few districts around Wuchow, private companies operating the

buslines also assume responsibility for the maintenance of the roads.

It is the intention of the Government this year, while keeping up the building programme, to better maintain those already built, improve the traffic service of the bus companies, and to operate, if necessary, more cars to assist the Central Government Chinese Post Office in obtaining better mail service through the carrying of mails by automobile as a substitute to couriers who walk from one place to another.

Latest statistics show that some 21 sections of the Kwangsi Highway have been open to motor-traffic by bus companies, and actually 3,480 *li* are being used. Between these sections, some 300 motor-buses are running daily, about 40 of which having central stations at Nanning; 30, at Liuchow; 50, at Kweilin; 60 in various other places, while 120 on roads leading from Wuchow inward.

In addition to cars for public hire as included in the foregoing figures, there are some 200 cars of various make now being used by the Government departments or private owners.

Licenses to drive and to keep cars are obtainable at the Bureau of Reconstruction at Nanning or through other traffic or road offices authorized to act on its behalf. Visitors with cars carrying foreign registrations will have to procure a local license also.

### Means of Communication

Other forms of communication which have made rapid progress in Kwangsi are the recent introduction of radio service in the centres of Wuchow, Nanning, and Liuchow and the preparation of similar enterprises by the Government at Kweilin, Lungchow, Poseh, Watlam, and other places, and the lines of long-distance telephones, besides the city exchanges.

So far the long-distance telephone lines installed number more than 1,30) *li*; and it is expected that before June, 1929, another 1,615 *li* will be wired from Chingyun to Wuchow; before June, 1930, another 1,207 *li* from Lungchow to Kweilin by way of a number of cities; aud then gradually to the cities in Kweichow. In connection with the long-distance lines will also be established exchanges of local character in important villages and towns. At present only the cities of Wuchow, Nanning, and Liuchow have local telephones.

Another important constructive measure planned for 1929 is that of further investigation into the conditions of the waterfalls and rapids in Kwangsi with a view to making use of them for electric plant and other forms of power.

Regarding the question of public utilities, the Kwangsi Government's policy will be the public ownership of the present telephone systems; but as far as electrical plants are concerned, the Government will itself operate those in the larger cities; and all others managed by the private companies will be subject to Government inspection and regulation.

To assist the public to have fuel and water powers for public utilities, the Government are to have engineers out to make mining and hydraulic surveys; and the Bureau of Reconstruction is having two hydraulic engineers and a score of other experts working along these lines. There is likelihood that the numerous rapids and waterfalls within the province will be made use of to profit agriculture and industry.

At a recent conference in Liuchow, Kwangsi, on reconstruction programme, it was strongly recommended that at least the postal service along the 3,500 *li* of highway traffic should be improved by the additional use of motor-cars for mail transportation. It is also hoped that more mail boxes will be erected along the highways, and the Government expect to thus improve rural and social education, something much needed not only in Kwangsi, but also in other parts of China.

The Chinese Post Office authorities directed formerly by the Peking and now, by the Nanking Government, are still too slow to appreciate the advantages being offered by the improved transportation facilities of Kwangsi.

### Administration to be Centralized

From the beginning of 1929, the telephone and other forms of intelligence transmission are to be controlled by the Central Government at Nanking, and the people of Kwangsi sincerely hope that some reforms will be made in the local telegraph service, which at present the Kwangsi Government still subsidize to a certain extent but over which there is no control.

Aside from improved and reformed methods of farming and the cultivation of more lands in Kwangsi, mining will be the next best means for the people of Kwangsi to better their livelihood. To encourage outside capital, the rules for applying permission to prospect and develop the mines will be greatly simplified; political, technical, and financial support will be given to merchants; engineers, plans, and methods of management as available at the Bureau of Reconstruction will be furnished to all propective investors; and mining regulations will be so amended as to facilitate the public in every way. It will now be possible for large private companies, in tin mining, for instance, to refine their ore and to sell their products, under certain conditions—including the possession of sound capital, expert service, well-equipped facilities, and other agencies which will insure the delivery to buyers of articles which will maintain a high standard so as not to lower the reputation of the resources of Kwangsi. All red tape for the application of mining permits and the like will be removed, provided that intended mining merchants would personally consult the proper authorities instead of working through agents who might profit at the expense of the principal. Under certain conditions, when necessary, the Government will try to obtain for the merchants exemption from import duty on machinery and other articles required for mining. Only a royalty is expected by the Government in granting the mines to the public, local or outside for operation. The Government, aside from stationing troops in mining areas to insure public safety, have decided to enlarge some of the model mining plants in the Fu Hoh-chung Districts as an experiment for the benefit of subsequent miners and operators.

A group of mining engineers of the Bureau of Reconstruction is now on the field with drills and other mechanical assistance to further study the mines, now more than a hundred already listed; and without further delay, a map of Kwangsi with latest data and according to a recent survey will be issued for public reference.

In 1929, the Kwangsi Government are to increase the number of working organizations and agencies to study and improve all forms of agriculture; make surveys of the waste lands of Liuchow, Chingyuan, and Tien Nan areas so as to plan for cultivation and settlement; plan a number of model villages in rural districts; establish primary and short-course agricultural schools; and to carry out the previously started campaign to plant more *Tung* trees for wood oil.

For the farmers and their children, sanitation and other instructions, including a school in every medium size village, are to be started so as to improve their livelihood and living and housing conditions. Attention to the type of houses best suitable to farmers will be particularly given. Improved methods of farming and better implements to work their soil are expected to increase the farmers' income.

The Kwangsi Government Department of Agriculture has a programme to study the soil of the province, form a comprehensive irrigation plan after due study and investigation, seek for raw materials which are likely to aid present day industries, prevent animal disease, reform the native farming implements, eliminate the plant diseases which annually do much harm to agriculture, introduce better methods of food preservation and the industry of canning, and help the farmers to better use the many forms of fertilizers.

The existing forests in Kwangsi, only a few now-a-days, will be preserved; and the Government will start an afforestation scheme; and in this, the several forest stations throughout the province will receive larger appropriation. Forest products of Kwangsi will be made better use of. It is estimated that there are more than 165,000,000 *mows* of high and 35,000,000 *mows* of low uncultivated lands in Kwangsi, and the Kwangsi Government have proposed that the people shall be encouraged to settle on these lands and make use of, while the Government are to procure outside aid in technical advice and capital. The Government are looking for outsiders to make use of their lands as well as to open their mines.

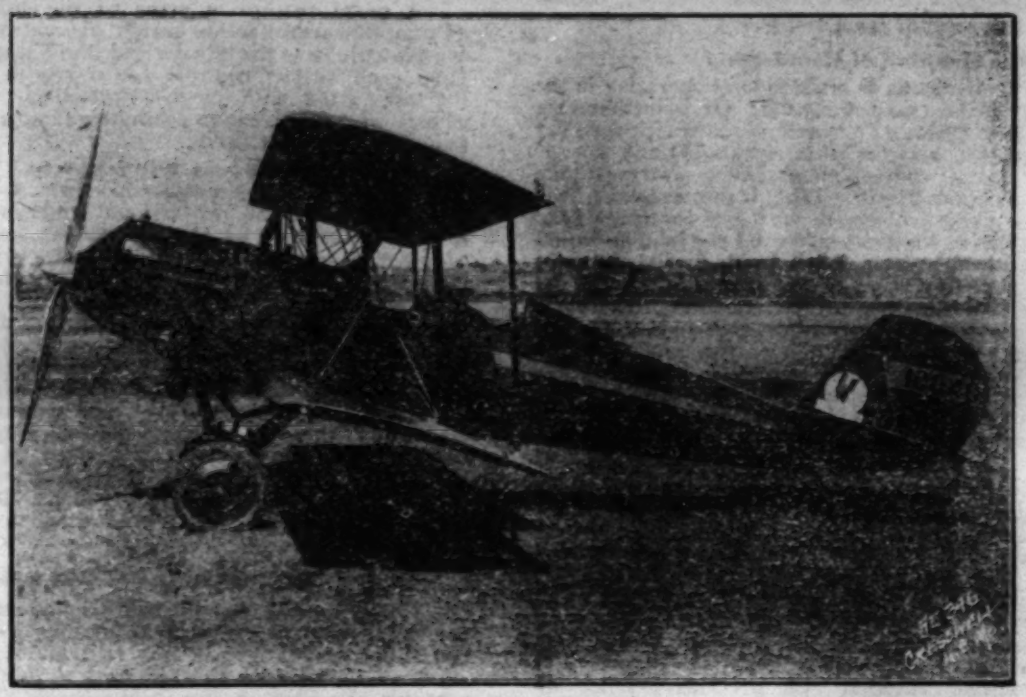
As a principle, the Government of Kwangsi, through the Bureau of Reconstruction, have declared that except for certain articles and supplies of war and public utilities in large cities, the public will be encouraged to develop all forms of industries which local materials or requirements offer. The Government will only aid and not impede the progressive development thereof; and this means that there will be no more oppressive and destructive taxation. The Government will offer protection to both the employers and the employees, while trying to prevent all evils which modern industries have created but adopting all useful measures which experience has proved to benefit the laboring class. The Government will arbitrate all trade and industrial disputes. At the same time, all raw materials required for local industry will be protected from outside demand as far as possible.

Realizing the present lack of industrial enterprises in the province and while inviting outside capital and investment to develop the natural resources of Kwangsi, the Government have pledged to the people that small industries now existing and those possessing but a limited capital will be fully protected against any monopoly or trust which may force the weak to yield in favor of the strong.

Equal opportunity will be given to traders in or to Kwangsi, according to principles announced by the Government; and

(*Continued on page 40*)

# WINGS FOR CHINA!



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# Ancient Guilds and Social Change

BY J. S. BURGESS, PH. D.
*Prof. of Sociology, Yenching University, Peiping, China.*
*(Concluded from last week)*

### The Question of Membership

Are craftsmen, merchants or professionals operating in the given place compelled to join the guild? Or is membership optional? Our replies indicate that most of the craftsmen (10) are compelled to join, half the professionals (4) and none of the Commercial bodies, compel membership. We must take this reply with a grain of salt. What is the meaning of the term "compel." There is evidence to show that formerly if the carpenter or mason or the grain seller did not join, he would be first urged to, then threatened and finally forcibly brought to trial at the guild court and punished. The police would not interfere. Since the founding of the Republic, all corporal punishment has been forbidden by law. This has weakened the power of the guild. Our replies, moreover, do not indicate the pressure of social and economic boycott so forcibly operative in China. In many cases, moreover, it is considered by the merchants or craftsmen as such a distinct economic advantage to belong that the compulsory features are not emphasized.

Interesting replies were given to inquiries regarding the duties and privileges of membership. In practially every case the guildsman's duties were designated as "to pay the fees and abide by the rules of the guild." No further responsibilities were indicated. Deference to custom and rule is all that is required of the rank and file. The responsibilities are on the elders. The privileges mentioned are primarily economic—to "receive the standard wage" is the favorite reply. The possibility of help if a merchant gets to in trouble with the officials is emphasized. Another very precious privilege of guild membership is the assurance of a proper burial. The poorest guildsmen will be taken care of in these sacred ministrations by the group. Only in the three representatives of the builders' trades were the opportunities of joint control of the organization looked on as privileges. One is reminded of the platform of the now defunct Builders' Guild of England where such emphasis was placed on the joint democratic control. The carpenters regard highly "inspecting the affairs of the guild." The masons are privileged by "managing and watching over the business of the guild" while the painters have the opportunity of "overseeing the guild affairs." This interest in participation by the members in the common affairs is doubtless in part due to the attempted organization of the so called Lu Pan Industrial Union, a super-guild plan to unite the building groups into a body that could compete in bidding on modern building construction with Japanese and Western contractors. Of all the craftsmen these are the most affected by modern trends. They have been forced to learn the methods of building foreign houses and of using foreign paint and have adapted their ways to the new demands. But these crafts are exceptional. Fellowship in control and democratic participation appear to be newer ideas, while the privilege of favorable status in this world and security in arriving properly into the next appear to be the main interest of most of the guildsmen.

### Methods of Control

The guilds are controlled by a variety of methods. In the craft guilds there seems to be little in the way of formal election. As in the case of the village elders and head, in the natural course of events those with standing (tze key) just become the leaders by common consent. In the case of the craftsmen the qualities most sought for in the leaders are reported to be "age and moral character and general capability." The same traits are singled out by the professionals. Economic standing, however is the chief quality demanded of their leaders by the merchants. Increasingly since the modern founding of the Chambers of Commerce, the duties of the officers of the commercial groups have tended to that of representing the groups of stores in the larger city-wide Chamber. The more economically powerful were the ones to be sought for as worthy representatives.

Group control is the usual method of government in the craft guilds. "The elders," or "the yearly committee," or "the group of officers" run the guild. In many cases, especially in the commercial guilds there are regular head, vice-head, secretary, and treasurer. In the professional group there is frequently a very complicated organization with as many as 20 or 30 officers to do all sorts of detailed work. For example the actors report "there are 3 heads, two officials in charge of the current year, four treasurers, four to take charge of the general affairs, four directors." The officers of the Blind Guild are still more numerous and their position designated even more specifically, as for example "prosecuting attorney," "sheriff," "witness," "advisor," "investigator," "executioner," "warrant carrier," "time keeper" and "door keeper"—24 officers in all.

Officers are usually changed every year—but in many of the craft guilds, as in the case of the village men, the elders keep their position for an indefinite period.

A novel feature in many of the guilds (14) is a system of rotating committees on boards of control. The carpenters for example have the city divided into 5 districts and a group from each district controls for a year in turn, the affairs of this large guild with its 4,000 members. In other guilds the officers of the executive committee in turn take charge of the guild affairs a month each.

Peking Guilds possess little property. They are financed almost exclusively by membership dues, paid by individuals in the case of craft and professional guildsmen, and by stores as units in the case of the commercial groups. These rates of payment run from $4 paid yearly by the workmen in leather box makers to $20 paid by the largest coal stores. The details of method of collection and payment are not of significance, except as they indicate very detailed and careful guild organization. In no point is there closer similarity between the Mediaeval guilds of Europe and the Chinese guilds than in the apprentice system. The same three-fold division of masters, journeyman, and apprentice exists. In the craft guilds there is the same possibility open to all of passing from one stage to the other as there was in some periods in the guilds of Europe. As there is more money involved in the big stores than in the craft shops, the same semi-democratic opportunities are not so common in the commercial groups.

### Newcomers are Guaranteed

The newcomer usually has his guarantor who will vouch for his good behavior and repay the cost of food if the apprentice leaves before this contract is finished. Gamble sums up the relation of apprentice to master in these words: "During the time of his apprenticeship, the boy is entirely under the control of his master. He lives in his store, eats his rice, is subject to his discipline, does any work that is given him, and has a chance to go home only on vacation days or when there is a wedding or funeral in the family. All of the reports telling of the duties of the apprentice state that he is to sweep out the store, make his master's bed, do the cooking and other menial tasks, and then work at his trade." The usual period of apprenticeship is 3 years or three years and one festival (3 months), (13 craft 14 commercial had this period). No periods of apprenticeship were for a shorter time. The mat tent builders have the longest period, 7 years. The apprentice usually has no wage but is given gifts at the three yearly festivals if his work has been good. The three principal festival times of the Chinese year that are reserved as holidays for the workers are (1) the Chinese New Year season, which lasts for about ten days; (2) the Dragon Festival on the Fifth day of the first month, which lasts about three days; (3) the Mid Autumn Festival on the fifteenth of the eighth month which also lasts about three days.

Frequently at the end of the apprenticeship there are ceremonies to celebrate the new status of the worker, who in the case of the craft guilds is now a journeyman and a potential guild member. The description of the ceremonies accompanying the finishing of training by the cooks is as follows: "After three or five years, when the term of apprenticeship has been completed, several of the masters gather together with their respective apprentices, and formally sign a document which signifies that the apprentice has graduated or finished his term of training. The apprentice kowtows to his master and also to the guarantors, while his father or brother provides a feast of several tables for the party. The document that has been written must be in the handwriting of the master. Among the forms of thanking the master are: (1) the presenting of four hair pins to the master's wife; (2) the presenting of two bolts of cloth, a hat and a pair of shoes to the master, together with providing a feast for him; (3) the presenting of a hair pin called Chiu Lieu-luan to the master's mother." The Tinkers' report that "when the apprentice has finished his term of training, as a rule he invites the teacher to a feast which is attended by the officials of the various division of the guild." The teacher in turn will supply the apprentice with a set of instruments for him to use. In this last case there is an exchange of gifts in the presenting of the instruments commonly used by the tinkers in their metal work. This is the final gesture before the apprentice becomes a fullfledged worker. The usual time of the apprentice is during daylight—but with some, the hours go well into the night. No study has been made of the age of the apprentices in any but the rug guild. Mr. Bleisdell reported that while some boys were found as young as 8 or 9 years of age the usual age of taking up apprenticeship

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was 11 or 12. It is clearly uneconomic in many of the crafts to have boys who are so young that they are not physically strong. There has been no legal restriction of the age of apprentices. The treatment of the boys undoubtedly varied with the master. He had complete control and the boy was entirely subject to him.

### The Apprentice System

In a country where literary education was almost worshipped the apprentice system supplied an excellent facility for industrial and commercial education, a training not included in the concept of the field of education in old China. In a situation where there was a pressure of the population in the food supply the apprenticeship solved two problems; that of education and cheap labor for the employer, and one less mouth to fill for the father of the boy.

A prominent feature of the life of the guilds is charitable activities. For the most part the craft and professional guilds confine their efforts to benefits for the poor members of their own organisations such as the supplying of funeral expenses, the securing of a burial plot owned by the guild, the giving of medical help and the finding of employment for journeymen out of work. The commercial groups on the other hand, support a considerable amount of general welfare work such as giving coal, grain or money to the poor in the winter, and contributing to famine relief funds.

The study of the religious life of these organisations reveals strikingly the changes due to modern trends. Formerly in all but one of the craft and professional groups, religious worship was a prominent feature of the guild life, and in all but four of the commercial groups the same practices were engaged in. Nine out of these guilds have, since the founding of the Republic, discontinued their religious ceremonies. At present twenty-eight of the forty-two guilds studied still maintain these observances.

The Guild Masters, who are the objects of reverence and worship, are usually in the craft and professional groups, the supposed mythological originator of the respective handicraft or profession. In the case of the commercial guilds the God of Wealth is usually the one who is given reverence. Besides these however, there is an interesting list of emperors, ancient warriors, philosophers, or Buddhist mythological deities. The religious worship is closely associated with the annual Guild meeting, and therefore, the whole procedure will be described at one time.

The guildsmen on arriving at the place of worship first register and pay their dues. They at once go forward to the altar for worship. Either the wooden effigy or the picture of the patron or master is the main object of worship. In front of this effigy or picture is arranged a feast for the master made up of such dishes as chicken, fish, meats, fruits, nuts, vegetables, and rice. Imitation money of silver and gold paper is placed on the altar. Also, prayers printed on yellow paper from wooden cuts that are preserved and made use of each year, are hung near the guild spirit. Food, candles and incense have been prepared in advance by the officers of the guild. The candles are burned on a table in front of the portrait or image, and there are also incense-burners in which incense is burning. The guildsmen, either one at a time or in groups, walk near to the altar, kneel and bow with their heads to the floor three times. They may or may not light incense themselves to place in front of the altar. In many cases photographs of prominent deceased guildsmen or scrolls containing their names are hung at either side of the main altar. These pictures are worshiped by members who had had some special personal relationship with the deceased guildsmen or whose teachers or shop masters had had such a relationship.

### The Play for the God

When most of the members have arrived the play for the god begins. Actors, hired for the purpose, give a drama for the benefit of the guild spirit who is supposed to be witnessing the performance. Before or after the play or during intermissions between parts, announcements are made and the business of the guild is discussed. Fines are announced and the names of offenders are read, or guildsmen who have transgressed the rules are summoned for trial in the presence of the master. The guilty are sometimes required to kneel before the master's picture as a sign of confession of their offences. Part of the program is the introduction of new members.

In some cases a feast is given for all the members, in others, for the officers only; and in other cases there are no feasts at the time of the annual guild meeting. Feasts also are considered an honor to the guild god.

After the worship, the play and the feast are over, it is customary for the elders or officers to carry out the ceremony known as *Sung shen*, or the ushering out of the god. This ceremony consists in carrying the paper coins and printed prayers to the outer court and burning them.

To evaluate this religious worship and to come to an understanding of its meaning is, of course, extremely difficult and speculative. Our first method was to ask the guildsmen themselves to appraise the value of their worship. A great variety of replies were received. The paper-hangers, for example, told us that the religious service was merely "a matter of tradition, it has no real effect." The guild of actors, the cooks, keepers of pork shops and cloisonne designers also indicated that there was little interest in religion among the guildsmen, but merely interest in the economic features of the organization.

Another typical viewpoint made by the shoe fasteners, fur merchants, barbers and leather stores indicates that religious worship formerly was very important, but now has lost its significance. The leather stores' representative, however, expressed the opinion of the great importance of the group spirit engendered by the guild life. Many of the craft guilds, however, especially those composing the building trades who are worshippers of Lu Pan, the mythological originator of many crafts, are convinced of the essential importance of the religious bond. The carpenters say: "The main purpose of founding the guilds is to worship the Master and express thankfulness for his handing down the technique." Some guilds express a doubt as to whether the guild would have held together except for the religious worship. The Masons say, "But for the religious bond, the guild might not have lasted so long;" The Tinkers, "But for the religious concept to overrule the mass, the guild might not have lasted so long." The idea of control, in addition to that of soldarity, is brought out by the guildsman who reported for the Awniug Makers: "The relation between the religious rights and solidarity of the guild is very close, for offenders are brought to the master and are fined incense money." The master is considered to have control over the actions of the guild members, and the breaking of the guild rules must be confessed and retribution made before him.

It is difficult to determine whether the religious worship which still persists as significant to the guildsmen is primarily an act of thanksgiving to the guild founder, whether it is a method of seeking some special potency by magic from the guild god, or whether it is merely the transfer to guild organization of the customary ancestor worship pattern of the family clan. It seems probable that the latter explanation is a fundamental one, inasmuch as many of the trades no doubt first developed in connection with the family clan itself. In the south there are still whole towns composed of those of the same name and clan engaged in specialised craft occupations.

### The Economic Function

Of course, the most important functions of the guild are the economic. These consist in general in (1) maintaining monopoly for guild members; (2) preventing competition within the guild; and (3) determining prices and wages and otherwise regulating the economic procedure of guildsmen. There is very little evidence that the Peking guilds endeavor to standardize products or to regulate hours of work. Our study of the Peking guilds brought out the fact that in these contemporary guilds, the technical control of prices and wages was not nearly as universal as indicated in the descriptions of Morse and Macgowan in their studies of southern guilds. Ten guilds (five craft, three commercial and two professional) still fix prices, and ten guilds (nine craft, no commercial, one professional) still fix wages. It is probable, of course, that customary understanding between the guildsmen weighs even heavier than strict regulations, and that there is much of control of both prices and wages in all guilds.

There is no indication from our study that there is at present in Peking any effort to standardize the products of the guilds. A very prominent feature of medieval guildsmen was the careful scrutiny of products and the certification by the guild of the wares. At least, at present in Peking this feature is totally absent.

In most of these organisation there is an emphasis on detailed regulations as to procedure. Macgowan, Morse and Gamble collected a large number of these guild documents which give the details of such regulations. A study of these documents shows the great variety of regulations in almost every feature of guild life, for in each case the rules are adapted to the demands of the particular craft or trade. As a sample of a code of behavior for apprentices we would quote the following from the regulations of the Peking Barber's guild.

The managers and workers must not laugh or make jokes among themselves while they are at work. They must not smoke cigarettes in front of their customers.

The managers and workers must not drink wine during the day, and the eating of onions and garlic is absolutely forbidden by the guild.

The managers and workers must clean the combs and

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other instruments as soon as they have finished work.

To illustrate some of the Peking rules for commercial groups the Leather Stores representative gave us the following report: (1) When an apprentice has finished his three years, the master may send him to a shop to be employed; but if the master does not permit him to be thus employed by the shop, no shop is allowed to engage him. Violation of this rule will be punished by deprivation of membership. (2) When workers lose sheets of leather or take them away for sale, other shops are not allowed to buy the leather. Violation of this rule will be punished by a fine of ten times as much as the value of the leather. (3) When the stores of the guild sell leather they must sell it at the standard rate of the Sung Chiang tael. If the tael is reckoned in current Chinese currency, the transaction must be reckoned according to the full market rate of the Chinese dollar. Documents recording such transactions must have the guild seal attached. There will be a fine of 600 coppers ($1.74) for incense money for violation of this rule. (4) When joining the guild fees must be paid on time. No fees will be collected after the proper date. Failure to pay the fee will result in expulsion from the guild. If the offender wishes to join the guild again, he will be fined 12,000 coppers ($34.78) and must give a play before the altar of the God of Wealth. (5) If the president (of the guild) fails to appear on the 26th of the third month, the day for worship and the theatrical performance, he is fined 600 coppers ($1.74).

### Under the Republic

The coming of the Republic with its new organisation of municipal police and its regulations against corporal punishment inflicted by guild courts has meant cutting off from the guilds all which was formerly their principal source of power. Undoubtedly, the old guild courts still exist, and at the annual meeting trials of guildsmen who have broken the rules still take place, but the drastic enforcement of the guild's will is no longer practised.

A prominent feature of guild life in the past was the ability of the guildsmen to hold together as a united group against official oppression, or in their demands upon the public. The methods of the strike and boycott were both used with great effect. Only a few years ago in Peking the Scavengers guild in resisting certain government regulations caused the police to capitulate by refusing for several days to transport the Peking night-soil outside the city. Largely due to the demands of the people who were inconvenienced by this action the government demands were withdrawn.

Although the growing power of political and municipal government in Peking has very effectively weakened the prestige and power of the guilds, all the evidence we have indicates that great strength and solidarity characterized them in the past. Whether or not such activities were, as Williams thinks, a contribution in the "defense of popular liberty," is however, another question. There seems to be no indication at least from our study of the Peking guilds, that the sense of general civic responsibility and of public service was uppermost in the minds of the guildsmen. Their activities seem to have been directed primarily for the benefit of their own group rather than from a sense of duty to the public welfare.

An interesting question is from whence came the undouted solidarity and group loyalty of the ancient guilds. The guildsmen's own replies when asked the source of the guild solidarity are of interest. The largest number of votes recorded (22) indicated belief that the economic advantages of guild membership was the reason for the guildsmen's loyalty to their organisation. They look at the guild as a help in making a living. The next largest number (14) of guildsmen reported that they felt that "tradition," the power of ancient custom, was what held the men together. A third class (12) maintained that "religious belief" was the real source of the guildsmen's power. They are united together in common worship of the mythological guild founder.

Our study would confirm in general the statements of the guildsmen as to the source of the guild's power with the exception that certainly, from all reports and observations, protection from official pressure is a much greater factor in producing group solidarity than would be gathered from these replies. The solidarity of the guildsmen appears to be a natural response to an environment where those who would have food must unite or sink to a very low level of subsistence, and where those who would keep what they have earned must stand firmly together against a government avariciously seeking resources from every quarter possible.

What is happening to the guilds to-day? In the first place many of these organisation are disappearing because their manufactured products are no longer needed; for example, the Brass Washbasin guild because modern enamelled washbasins are used instead; and the guild for the making of colored threads formerly woven into the queue, of course, has disappeared when the queues disappeared.

Another set of guilds are disappearing because guild products are gaining a large foreign market; for example, the Rug guild in Peking has practically disappeared. When it is possible to deal directly with foreign buyers and sell on a large scale the old guild regulations fail to fit the modern conditions.

Many of the guilds disappear when modern factories are established, which make by machinery what was formerly made by the hand-work of the guildsmen. There is no trace of the old Textile workers guilds in Shanghai to-day.

### New Guilds

Certain new guilds at the same time are being formed in Peking; the Electricians, the Bicycle Sellers, and the Automobile stores have their guilds. It is clear also that in certain new types of industry the old guild organisation is entirely unsuitable; in the railroads and mines for example, the industrial union rather than an organisation based on one craft is appropriate.

Some guilds are undergoing modifications, and adapting themselves to new conditions, for example, in Peking the Carpenters have learned Western style methods, and together with the Masons and Painters have formed a super-union for their trades.

In certain other guilds there seems to be going on a process of structural differentiation. In the cosmetic guild of Peking and the Incense Burners Guild of Hankow, the employers and employees are for the first time meeting in separate groups. The same process is working out in Canton.

As the program of the People's Party is spreading there is a tendency for the guild to fuse with the modern labor union. A survey of 180 labor unions in Canton in March 1927 shows that 74 were re-organised guilds.

Government regulations are more and more affecting the life of the guilds. In the early days of the Republic the old *laissez-faire* attitude of the Government in the case of the commercial organisation gave place to promulgation of the new Chambers of Commerce with elaborate regulations affecting trade and forming a new union of the commercial bodies. The courts of the Chamber of Commerce soon took the place of the former guild courts.

### Present Government's Policy

The present Government in its party policy is largely ignoring the guild organisation, and by many regulations, making practically impossible the continuance of the old guild organisation. The party councils are directly promoting labor unions. Provisions are being made for the settlement through government commissions, of industrial disputes. Apprenticeship regulations are being promulgated and also regulations for employers' associations. The new Government is not bent on preserving the guilds, but of setting up a new System of industry and commerce.

What will be the probable future of these organizations? There is no indication from the facts gathered from our study that there is any great change taking place in the professional guilds. Inasmuch as these workers are not related to factories or commerce and as there is no large financial investment required in their activities, it is quite probable that they will continue to operate very much as they have heretofore. They may be reorganized into trade unions or some new form of professional association, but the activities of the groups will be little changed, as very distinct differentiation between employer and employee is not essential in most of the professions of the type we have been studying.

### Will Disappear or Reorganize

It seems probable that eventually the craft guilds in their present form will entirely disappear or be reorganized into labor unions. It is possible that there may be amalgamation of certain groups, such as those engaged in the building trades, into industrial unions. It is at least possible that such a union might maintain the form of a guild where contractors and workers together determine the common policy, along the lines of the Builders Guild in England.

Guilds whose products come into competition with Chinese factory made articles are likely to disappear entirely. Guilds whose products are sold in large quantities to the foreign markets are unlikely to continue because of the new relationships with the foreign trader.

The great majority of the craft guilds will probably be reorganized into labor unions, while the employer class related

(*Continued on page 24*)

## Quo Tai-chi Appointed Minister to Italy

Quo Tai-chi, who in 1927 was Commissioner of Foreign Affairs in Shanghai, a post which he held in addition to being Vice-Minister of Foreign Affairs in the National government; was last week appointed Chinese Minister to Italy and has since been appointed to hold concurrently the post of China's delegate to the League of Nations. Quo Tai-chi was born at Wusueh, Hupeh province, in December 1888, and after receiving an elementary education in Wuchang was sent to the United States as a government supported student. He attended Northampton (Mass.) high school from 1905 to 1908 and later attended Williston seminary in the same city. He later took a course in political science at the University of Pennsylvania, being graduated with the degree of B. S. in 1911. In 1912 he was awarded a scholarship in sociology at the U. of P. He took a prominent part in the activities of the Chinese Students Clubs at Pennsylvania and the Chinese Students Alliance in the U. S. A. Returning to China in 1912, he was appointed secretary to Li Yuan-hung, who was then Vice-President, stationed at Wuchang. When Mr. Li went to Peking in 1913 Mr. Quo accompanied him. When Mr. Li became President of China in 1918 Mr. Quo became Chief English Secretary of the Presidential office. Between 1916 and 1917 Mr. Quo held the concurrent post of Councillor of the Ministry of Foreign Affairs in Peking. He resigned from all government office as a protest against the illegal dissolution of Parliament by President Li upon the demand of the Tuchunate. He came South and participated in the establishment of Dr. Sun Yat-sen's Constitutionalist Government at Canton after Chang Hsun's monarchical movement. In the fall of 1918 he was sent together with Dr. C. T. Wang and Eugene Chen to Washington on a diplomatic mission by the Southern Government. He joined the Chinese Peace Delegation as technical delegate in the spring of 1919 and later he returned to the U. S. A. and conducted publicity work on the Shantung question. When Dr. Sun Yat-sen, Tang Shao-yi and Dr. Wu Ting-fang returned to Canton and resumed their political activities, in the spring of 1921, he likewise took an active part in the administration of the opposition government. In 1921 when Dr. Sun Yat-sen was installed as president after his election by Parliament in Extraordinary Session at Canton, Mr. Quo became Counsellor to the President's Office and Director of the Publicity Bureau. In the spring of 1922 when Dr. Wu Ting-fang was Governor of Kwangtung Province, Mr. Quo was made Director of the Department of Political Affairs until the Chen Chung-ming coup against Dr. Sun Yat-sen. In January 1923 when Dr. Sun regained power in Canton, Mr. Quo was made Vice-Minister of Foreign Affairs of the Government until 1925. After Dr. Sun's death, Mr. Quo returned to his home province and became President of the National University of Commerce at Wuchang, Hupeh. Upon the extension of Kuomintang Power to the Yangtsze Valley in 1926, Mr. Quo again re-entered political life and became Commissioner of Foreign Affairs for Kiangsu Province and Vice-Minister of Foreign Affairs under the Nationalist Government, positions which he resigned in 1927.

Mr. Quo Tai-chi

## Commission on Publications Organized at Nanking

Dr. C. T. Wang, Minister for Foreign Affairs, has organized a Commission on Publications at Nanking which is headed by Vice-Minister Y. L. Tong. The object of the Commission is to give information on the diplomatic situation of the country. One of the Commission's recent efforts is a volume entitled "The History of the Restoration of China's Tariff Autonomy." It is understood that the Commission is preparing and will soon publish volumes on: (1) the new Treaties, (2) the Nanking Incident, (3) the Tsinan Incident, and (4) Rules and Regulations Governing the Ministry of Foreign Affairs and its subordinate offices.


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## Relief for Famine in North China Comes from Shanghai and U. S. A.

Liu Chih-chou, Chairman of the Famine Relief Committee for the North-western Provinces, is understood by the *Ta Chung* news agency to have succeeded in raising a loan of $500,000 here from two native banks and the Flour Merchants' Association. As food stuff is the main thing needed in the North-west, $500,000 worth of flour will be received in lieu of cash. Arrangements are being made to rush the supply to the famine-stricken regions.

It is also announced that the China Famine Relief Commssion in Peiping is in receipt of a remittance for relief purposes of $110,000 from its headquarters in New York City. The sum is understood to have been divided in the following proportions: Shensi, $50,000; Kansu $20,000; Kalgan and Shansi, $15,000 each; Honan $10,000.

## U. S. Troops in China Placed Under P. I. Command

The United States army forces in China which have been operated under an "independent command" for the past five years will again be placed under the control of the Philippine department, commencing March 15, as announced by the *Manila Bulletin*, February 14.

The change in command of the troops is believed to be an indication that the United States regards the situtation in China as more settled now than it has been in the past several years, with necessity for a separate command no longer existing.

Brigadier General Castner in command of the forces in China is to be transferred to the United States. He is to be stationed at Fort Lewis.

## ANCIENT GUILDS AND SOCIAL CHANGE

(*Continued from page 22*)

to such guilds will form employers' associations.

Among the commercial groups it seems probable that the same differentiation will take place; the managers of each trade will have their own associations with representation in the Chamber of Commerce and the workers will form their own trade unions.

It is very easy for anyone familiar with the guild life to summarize the limits and deficiencies of the old system. The present tendency is to discard the useless machinery of old commercial and industrial life, and build something new along Western models.

It might be well, however, to point out certain of the values of these old institutions. We would list these values as follows:

1. Personal face-to-face relationship in local shops or stores that made possible friendly understanding between masters, journeymen and apprentices.

2. The relatively easy adjustment of difficulties between the employer and the employees and the absence of any considerable amount of class strife.

3. The equalization of opportunity afforded by the guild system for the capable to pass through the apprentice and journeymen stages to the position of master.

4. The maintenance of group "morale" resulting from the common interest in and responsilblity for group affairs by masters and journeymen in the craft guilds and by the store managers in the commercial guilds.

5. The maintenance of group standards of conduct, which were adhered to by the members.

6. Intra-group cooperation rather than competition which tended to equalize the economic opportunities of the guild members.

7. A sense of creative accomplishment in manufacture in the craft guilds.

8. The unquestionable contentment and passive satisfaction of both workers and masters certainly had its socially beneficial aspects in old China. To what extent this attitude will prove socially beneficial in the present day, is open to question.

While there is little indication at present that there is either serious study of these ancient organizations or desire to preserve any of their features, it may be that in the future as the problems of reorganisation change from the national propaganda stage to the intensive development of the local community life, that some of these values may well be conserved in the new industrial and commercial organisation of China. At least, it is well for those interested in the future of industry and commerce to appraise carefully the ancient system before fully discarding it. In any case the socially valuable attitudes and cooperative spirit of the ancient guild is likely to modify to some extent the competitive organisation of modern Chinese industry and commerce.

## Death of Mrs. L. C. Hylbert

The death occurred at 6 o'clock, Sunday afternoon, Feb. 24 at the Shanghai Sanitarium of Mrs. Margaret Runyan Hylbert, wife of Dr. L. C. Hylbert, secretary of the American Baptist Foreign Missionary Society. Mrs. Hylbert, who was one of the best-known members of the American community, became seriously ill December 18 and despite everything that could be done, she became steadily worse and passed away on Sunday afternoon, the cause of her illness being cancer. Mrs. Hylbert was born at Lewisburgh, Pa., and came to China with her husband in 1910. After residing at Ningpo, Chekiang Province for several years, they removed to Shanghai where they have since resided at 175 Route Dufour. She was 49 years of age, and in addition to her husband is survived by their daughter Elizabeth who is a student in the Shanghai American School.

Mrs. Margaret Runyan Hylbert

Mrs. Hylbert was an honor graduate of Bucknell University and Columbia University, receiving the A.M. degree from the latter institution. Immediately after her arrival in China she became active in the affairs of the community, both at Ningpo and at Shanghai. She was chairman of the Parent-Teachers' Association of the American School and also was a member of the Board of Ginling College, Nanking, one of the leading colleges for Chinese women and also was a member of the Board of the Chinese Women's Medical College (Margaret Williamson Hospital) of Shanghai, both of which positions brought her into active contact with the modern womanhood of China. She was also an active member of the Shanghai American Women's Club, for the past year having served as chairman of the Literary Department. She was also a member of the Committee of the American Women's University Club, and an active worker in the Community Church.

The funeral services were held Tuesday, February 26, at the Community Church and were conducted by the pastor, the Rev. E. W. Luccock, the service at the Church taking place at 4 o'clock in the afternoon with interment immediately afterward in the Scottish Rite plot at the Bubbling Well Cemetery.

## The Troubles of "The North China Star"

The *North China Star*, an American newspaper published at Tientsin, was recently refused further admission to the Chinese mails, the order to this effect coming direct from Nanking. No reason for the order was given at the time, but according to a Kuomintang spokesman, who delivered an address during a reception given to newspapermen at Nanking February 21, the *Star* had been barred from the mails for publishing an article by D. C. Bess of the *United Press* service at Peiping which stated that a big upheaval was due "within ten days" and alleged that military movements were taking place. The spokesman at the same time said that the *Star* was sympathetic to the National government, so that the ban might be lifted if the paper retracted its statements.

Charles J. Fox, the editor of the *Star*, in an editorial February 21, in discussing the incident, pointed out that 'the act against which he protested was one done by the highest Government organ in China and was therefore quite different from the acts of more or less irresponsible individuals or unofficial groups, and further the denial of a foreign corporation of the use of the mails amounted to a virtual confiscation.

## Chinese Delegates Appointed to London Postal Conference

Acting on the recommendation of Wang Peh-chun, Minister of Communications, the Nanking government has appointed Alfred Sze, Minister at London, and Liu Shu-fan, Director General of Posts, delegates to the International Postal Conference in London next May. Cheng Yi-sen and Mei Ting of the Chinese Legation at London are to accompany the delegates to the Conference.


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No. 5

# The Pacific Era Begins

BY NICHOLAS ROOSEVELT

(*From The Review of Reviews for January*)

OURS is the Century of the Pacific. Just as in the days of Greece and Rome the Mediterranean was the chief theater of world events, and during the last four hundred years the Atlantic, so today the center of gravity of world commerce and politics is in the Pacific Ocean. The extraordinary growth of the United States, of the British Dominions, and of Japan, all of them vitally concerned in the future of the Pacific, has made it inevitable that in the years to come the relations of the nations whose shores are washed by the waters of the great ocean will be ever more intimate.

It goes without saying that in this new Pacific era the United States is destined to play a preponderant role. As the world's chief producer of the sinews of modern commerce, rich in the essential minerals such as iron, oil, copper, etc., on which industrial civilization is now based, the United States cannot avoid becoming the leading commercial nation of the world. Each year has seen America's foreign trade increased. This has been particularly true in the Pacific region. Today she imports more from Asia and Oceania than from any other section of the world. Furthermore, she is seeking new markets there for her surplus manufactures. Most of the Oriental trade is bound to pass through the Pacific Coast States.

America's new role has been largely determined by geography. Contrary to the common belief, the Far East is not far. Japan is nearer to Seattle than is the Near East to New York. Not only this, but through the Philippines—which from an essential link in the chain of islands that lie off the Asiatic coast from Japan and the Dutch East Indies to Australia—the United States has become an Asiatic power. The day is past when Americans can turn their eyes inward, complacently ignoring the events that are transpiring across the great Pacific Ocean.

### America's Influence in the Far East

The Pacific is now a unit as it never was before. No longer is it possible to isolate incidents and to deal with them as if they were of purely local concern. The great earthquake of 1923, for example, not only injured Japan's financial stucture, but altered the course of Japanese expansion and enabled other nations to profit from some of the trade of the East that would otherwise have gone into Japanese hands. The immigration problem in this country concerned not only California and Japan, but also Canada, Australia, New Zealand, and China. The question of Philippine independence is not a domestic issue in the Philippines, nor does it concern only the internal relations between the insular Government and Washington. It affects the Dutch East Indies, Korea, and even India, inasmuch as if independence were granted to the Filipinos the revolutionary movement in those countries would almost surely be stimulated. In fact, if America were to withdraw from the Philippines the balance of power in the Pacific would be upset to such an extent that war might be unavoidable.

A brief glance at the history of American activities in the Far East since 1900 best indicates the tendencies of our policies. Although ostensibly divided into two separate categories—those concerning the Philippines and those concerning China and Japan—they have been bound together by the inevitable interrelation of force, prestige, and commercial aspirations. Our acquisition of the Philippines in 1899, which gave us a military base in the Far East, made it possible for us to participate the next year in the relief of Peking during the Boxer uprising and so to play an important part in the settlement of the Powers with China. Our influence was on the side of China, because our interests—like hers—were best satisfied by the preservation of the territorial integrity of China and the firm establishment of the policy of the Open Door. It was respected because we were strong.

Both of these policies were opposed by other nations—territorial integrity by those which sought to dismember China for their selfish purposes, and the Open Door, although receiving nominal lip service, by the Powers which were already entrenched in China and which sought to exclude Americans and others from participation in China's trade. Ever since that day the United States has championed these two policies in China. When the famous Twenty-oue Demands were made by Japan in 1915, threatening the sovereignty of China, the influence of the United States, albeit not great, as we were then weak in the Pacific, was on the side of China. After the Versailles treaty had been signed in 1919 the American people took the lead in bringing about the return to China of the province of Shantung, captured from Germany by Japan at the outbreak of the World War. Needless to say, America's stand for justice was no less respected because America was well armed.

It is now generally recognized that the Washington Conference in 1921, although best known for its treaties on naval limitation, had as its principal objective the settlement of the disturbed conditions in the Pacific. Not only was there tension between the United States and Japan, but it was obvious that China was in chaos and that it was again necessary to make sure that it should not be dismembered.

### American Sacrifices for Peace

Out of the Washington Conference came three treaties and a number of subsidiary agreements. The first of these treaties established the so-called 5-5-3 ratio in capital ships for the navies of Great Britain, the United States, and Japan. It also ended the modernization of fortifications in the Philippines and at other places in the Pacific. America made great sacrifices in the name of world peace.

The second treaty was the so-called Four-Power Pact by which Great Britain, the United States, Japan, and France agreed to discuss amicably any differences of opinion that might arise concerning the island world within the specified region in the Pacific. The chief significance of this document was that it replaced the Anglo-Japanese alliance, which the Dominions, as well as the United States, were anxious to see terminated.

The third treaty set forth numerous general principles detailing the attitude of the powers towards China. One of its by-products was the arrangement for a conference to discuss tariff autonomy for China and the ultimate removal of the privilege of extraterritoriality. These matters were not formally discussed until 1925-'26. The tariff conference broke down because China's leaders could not agree among themselves. The report of the extraterritoriality commission recommended that the foreigners maintain their special privileges pending a complete revision of the administration of Chinese justice. This report was bitterly resented by the Chinese Nationalists, who are seeking today to abolish extraterritoriality.

America's relations with the Far East have not been confined exclusively to troubles arising on the other side of the Pacific. The immigration question and the rights of Orientals in California and the Pacific States for years plagued our relations, first with China and later with Japan. During the four decades following the California gold rush, Chinese coolies came into the country in increasing numbers, only too often to be treated with shameful inhumanity. As the problem grew worse, efforts were made to exclude them by treaty. The negotiations dragged on unsuccessfully, until at last Congress became impatient and passed a law (1882) excluding them from the country. Within a short time the number of Chinese in the United States grew less. Almost immediately antagonism to the Chinese immigrants began to decline. Relations with China improved.

### Friendly Pacific Relations

No sooner had the Chinese problem been settled than the Japanese began to enter in increasing numbers. The Gentlemen's Agreement, negotiated in 1907, by which the United States surrendered to Japan the right of determining how many and what Japanese citizens might come to this country as immigrants, failed to check the increase of the Japanese population on the coast, or to reduce the friction between the two peoples. In 1924 Congress passed the immigration restriction act, which incidentally excluded all Orientals except business men, travelers, teachers, and a selected small category of temporary visitors. Indignation in Japan was at first intense. As in the case of Chinese exclusion, however, friction soon disappeared. Our relations with Japan are now freed from the poison of this dangerous irritant.

Today Japan and the United States are on excellent terms, despite Japanese criticism of American activities in China, and American suspicions about Japan's intentions in Manchuria. But it would be idle to pretend that the policies of the various nations in the East are not occasionally at cross purposes. Besides the United States and Japan, the principal Powers interested in the Pacific are Great Britain, Holland, and Russia. Like the United States, Great Britain and Holland are primarily concerned with the preservation of the political status quo and the development of their trade. Russia has never abandoned the imperialist ambitions of the Czars; it still looks longingly on Northern Manchuria, and is anxious to dominate China politically so as the better to weaken Britain's hold in Asia. As a matter of fact, the Russians gave aid and advice to the Chinese revolutionists from 1924 to 1927 as an incident in Russia's anti-British struggle.

At the root of the political rivalry in China are, of course, the economic factors. Japan wishes to obtain in China those raw materials which she lacks, like coal and iron. All the nations seek markets in China for their surplus goods. In the old days the technique of this economic expansion was under

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the guise of so-called spheres of influence. Prior to the World War these were about as follows: northern Mongolia and Manchuria north of the Nonni river, under Russia; south Manchuria and, in South China, the province of Fukien, under Japan; the Yangtse Valley and the province of Kwantung and its hinterland (the Canton country) under Great Britain; Shantung under Germany; Yunnan under France. Today Japan has replaced Germany in Shantung and has penetrated the Russian sphere in northern Manchuria.

### America's Increasing Share of Asia's Trade

In theory these spheres no longer exist. In fact they have served their purpose so well that the commercial agents of the dominant foreign Powers have been able to entrench themselves sufficiently to have obtained trade advantages which they still enjoy.

But the interests of the different nations are gradually changing, owing less to conditions in China than to external causes. So, for example, Japan, in her search for steel and coal, has penetrated the British sphere in the Yangtse and now dominates the famous Hanyehping iron works there with all their appendages. Everywhere American trade, especially in oil, cigarettes, and sewing machines, is fighting its way into formerly exclusive spheres.

In fact, the shift in China's balance of trade since 1913 is striking. In that year, 45.3 per cent. of China's imports came from Great Britain (including Hongkong); 20.4 per cent. came from Japan; and 6 per cent. from the United States. In 1927 the corresponding figures were: Great Britain and Hongkong, 27.8 per cent; Japan, 28.4 per cent.; and the United States, 16.1 per cent. China's exports during the same period were as follows: in 1913, to Great Britain and Hongkong, 34 per cent.; to Japan, 15.9 per cent.; to the United States, 9 per cent. In 1927: to Great Britain and Hongkong, 24.8 per cent.; to Japan, 22.7 per cent.; to the United States, 13.2 per cent.

The significance of this is that while Great Britain has been steadily losing ground in China, Japan and the United States have been gaining.

But it is not in China alone that America's Pacific trade has increased. America's share of Australia's imports rose from 13.7 per cent. in 1913 to 24.6 per cent. in 1925. Her share of that country's exports increased from 3.4 per cent. to 5.7 per cent. in the same period. We control two-thirds of the trade of the Philippines. From the Dutch East Indies we now import twenty times the value of the goods we received from them in 1913. We take half the exports of British Malaysia. Our share of Japan's exports increased from 29.2 per cent. in 1913 to 42.1 per cent. in 1926, and of her imports from 16.8 per cent. to 28.6 per cent. We are Japan's principal customer.

Two questions arise in consideration of this phenomenal increase. What are the probabilities that the increase will continue? If it does, will it create dangerous antagonisms with other powers? Here, again, it is necessary to consider the Pacific nations separately, but always with an eye to the whole.

The markets of China are as yet scarcely scratched. The per capita foreign trade of China is about $3.30. This compares to $21.80 for the Philippine Islands; $34.35 for Japan; $77.70 for the United States, and $233.35 for Australia. But the development of China's trade in the grandiose proportions dreamed of by enthusiasts does not at present seem probable. China has two handicaps—an excess of population which forces countless millions to live on the edge of starvation, and a lack of mineral resources with which to build an industrial structure even remotely comparable to those of the western countries. The result of the population excess is to hold wages very low, which means in turn that the purchasing power of the Chinese coolie is small. It has been estimated that $100 is a high annual income for a Chinese coolie. Out of this he feeds and cares for his ever-increasing family. It is obvious that the only foreign goods he can buy are likely to continue to be inexpensive.

When China finally sets her house in order—and this, be it noted, will take many years—China will need all manner of mechanical equipment from tools to railroads, tractors, and automobiles. But the present demand for such goods is still strictly limited. The government has great plans for the future, but it has, among other handicaps, a record of defaulted contracts and payments which naturally deters foreigners from embarking with enthusiasm on new and costly ventures in China. The railroads have been grossly mismanaged and abused, and damage to the extent of millions of dollars has been caused during the civil wars.

Geologists and engineers are now of the opinion that the popular conception that China is rich in mineral resources is not founded on facts. China possesses a large coal reserve, but much of it is inaccessible, and of the remainder a large quantity is of only second quality. H. Foster Bain, who has made a special study of this problem, reports that China's total coal deposits are scarcely a quarter of our own, and that if the available reserves are consumed with the same liberality as our own they will not last long. China's iron reserves are only one per cent. of ours, and if consumed at our rate would last not more than three years.

Inasmuch as coal and iron, together with oil and copper, in which also China is poor, are at the basis of modern industry it is clear that China's industrial future must lie in those lines which depend on agriculture for raw materials, such as cotton, silk, and fiber. Already her cotton goods are beginning to compete with English manufactures. The consensus of opinion is that the wealth which she will thus develop will add enough to her potential trade to make it worth while to continue to struggle for her markets.

Does this struggle presage trouble? It may, but it need not. It may, because in the East there is a tradition of ruthless competition for trade. It need not because there is room enough in China for the special product of various nations without necessitating cutthroat competition. Japan, for example sells to China many small articles, the products of her handicraft applied to modern industry. She buys from China coal and iron and foodstuffs. We sell to China kerosene, tobacco, and machinery. We buy from her tea, silks and wood oils together with luxuries.

In so far as Japan is concerned, and her trade with the United States, there is every reason to expect continued close commercial relations unless the development of rayon displaces silk so much as to cut down materially Japan's exports of silk to us. This, turn, would have a disastrous effect on Japan's industrial structure, as silk is one of her principal commodities for export. Inasmuch as Japan is still suffering from the after-effects of the great earthquake disaster of 1923, it is not likely that our trade with her will develop as fast as that with China always providing that China has a few years of peace.

With the Philippine Islands our trade promises to be increasingly valuable. As the Philippines are largely virgin soil and are only beginning to be developed—less than a third of the arable land is yet under cultivation—they are sure to enlarge their production enormously. Owing to the popularity of American goods of all sorts in the Islands, our exports will gain in proportion to the new wealth of the Filipinos.

With the Dutch East Indies and the Malay Peninsula closer commercial relations are also to be expected. From them we get much of our tropical materials, especially rubber. Each year sees the United States more and more dependent on tropical agriculture for essentials in its industrial development. Our manufactured exports in these countries meet with stiff competition from the Dutch, the English, and the Germans, but should in time become more popular.

### America's Vital Concern in the Pacific

In round numbers we find that America's trade with Asia and Oceania has risen from $283,000,000 in 1900 to more than $2,064,000,000 in 1927. This increase is at the rate of more than $60,000,000 a year. There is no reason to foresee any marked decline in this growth other than those which temporary fluctuations in prices and temporary business depressions may cause. Under the circumstances the conclusion seems inescapable that the United States is vitally concerned in the development of the lands in the Pacific. As William H. Seward prophesied seventy-five years ago, our interests in Europe have declined relatively, and in the Pacific they have steadily increased until they are now dominant.

Our first task in the face of these changed conditions is to substitute for our traditional sentimental attitude towards international problems a desire to obtain accurate information. Only with a full understanding of the facts is it possible to form sound judgment. Heretofore we have largely ignored the essentials of the Pacific problems. We have paid no attention to the influence of geography, or to the basic economic conditions, or to the connection between policy and force. We have accepted propaganda uncritically, and have gone about our course with little forethought and no understanding of world politics.

In the East prestige and face count for much. The strong man—and the strong nation—is respected. If we are to maintain our prestige we must not only maintain our naval strength, but so behave ourselves, as to show that we are not only strong but wise—that we cannot be bluffed because we are armed with thorough knowledge and understanding as well as with guns and ships. In matters commercial this means not only to know what our potential rivals are doing and seeking, but to adapt our methods to meet the needs of the Oriental peoples—to sell them what they want, as they want it, and not to assume that something else is "just as good."

It stands to reason that the Philippine Islands furnish the key to America's policy in eastern Asia. Possession of them, as indicated in the opening of this article, has made the

(*Continued on page 40*)

# See China's Holy Land!

## Via

## THE TIENTSIN-PUKOW (TSINPU) RAILWAY

The next time you travel northward take the overland route. Go the "Tsinpu way" through the land of Confucius, and get a glimpse into the spiritual heart of Cathay. No jaded tourist trail this—it is an adventure comparatively few have enjoyed.

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This advertisement issued by the Chinese Government Railway Administration.

No. 1

# As I See My Penang Compatriots

BY DAISY YOUNG

TO those who have not been to the China South Sea Penang may be foreign, but to those who are old members of the Kuomintang and now holding important portfolios in the National government at Nanking it is just as familiar as is their native town.

Penang, or Pulo Pinang, as its name implies, receives its title from the "Pinang" (betel-nut) palms which grew abundantly on the island in the early days. Penang is officially called Prince of Wales Island, but this title is very seldom used even in official documents. The island was first ceded to Captain Francis Light by the Rajah of Kedah in 1785. It is the oldest of the Straits Settlements and was the seat of the S. S. Government prior to the year 1837.

Penang is situated in lat. 5° 24' North and Long. 100° 21' East, and lies between the western coast of Malay Peninsula and the north-eastern coast of Sumatra in the Straits of Malacca. It is fifteen miles in length by nine miles in breadth, and it contains an area of one hundred and seven square miles. By sea it is three hundred and seventy miles from Singapore. The distance round the island is forty-four miles and the journey can be accomplished by motor car as well as by steam launch. Penang is mountainous in the interior—the highest peak, having an altitude of 2735 feet, can be reached by an uphill train. Considering its tropical situation, it is very healthy. The climate, though hot, compares favorably with that of Singapore or of Hongkong in the summer season. It has a copious rainfall, its mean temperature being 80° F. The chief products are cocoanuts, betel-nuts, rubber, rice, and different kinds of fruits.

### Almost Chinese

Penang has a population of 300,000, 48% of whom are Chinese. They include bankers and also street hawkers. They own ninety per cent of the palatial buildings on this island and at the same time all ricshaw pullers are their fellow-country-men. So much business is carried on by the Chinese and so much tradition is observed here that Penang is just like a Chinese inland town plus some Indians, Malays, Japanese, Tamils and what not.

Most of our compatriots here as everywhere in Malaya are Fukienese and Cantonese but as regards wealth the former are by far better off than the latter. There may be two reasons therefor. Firstly, Fukienese have come here earlier than Cantonese and secondly the former after arrival make their home here forever, while the latter will return to their fatherland some day no matter how much wealth they have amassed.

It is not in the least exaggerating to say that Penang is the birthplace of the Chinese Republic and that the present National Government at Nanking might have been abortive without the financial assistance rendered from time to time by our compatriots who have had the welfare of their fatherland at heart. The late Dr. Sun Yat-sen and his followers including Messrs. Hu Han-ming, Li Lieh-chun and Wong Ching-wei, whenever they come to this island, never failed to find sympathizers among their compatriots.

Nevertheless, it is regretful to mention that the sympathizers of the Kuomintang are not those who are the richest nor those who are proud of themselves as being lawyers, engineers, doctors and the like. They, though Chinese descendants in every way, have no desire to see their fatherland rise up and stand on an equal footing with the White race. They would feel much more satisfied and pleased if the color of their skin colud be changed.

Happily, the tide has changed somewhat during the past few years. About two decades ago or so, very few Chinese, if any, knew that their ancestors had come from China and could read a single word of Chinese. It will be gratifying for those now coming from China to see that many Chinese schools have been opened here and there, though not so well equipped as the English schools owing to lack of funds due to the indifference on the part of Chinese capitalists. Even up to now, you will find very few boys and girls of the wealthiest families studying in the Chinese schools, It seems that it is rather a shame for them to study their own language.

### Speak Fluent English

Our compatriots have received Engligh education since the time of their first settlement. However, it is disappointing to learn that the European education has utterly failed to change them spiritually though somewhat materially. They have, as it were, swallowed it without digestion. European music is very favored by them and it is fashionable for every young lady of a rich family to know it. European education is a process of injection to them. They have never troubled themselves to apply it to thinking. They have never thought to themselves what is the value of education if it fail to develop the thinking power of the educated? Not to mention the boys, the girls in all English schools still keep such head-dressing on the top of their heads that their grand-mothers had, though it is extremely ugly and not pleasing to the eye. They are wearing Malay dress, minus trousers and stockings though they some times sit in a motor car on the way to school. On their knees, you will to see piles of English books, from which fact you may draw a conclusion that they are much learned. Yes, they can speak fluent English and write well too. But alas! when they reach womanhood, they fail to carry out their duty to their husband, children, society and fatherland. What they learn in their English schools may be that modesty is the first duty of a woman.

The boys and girls in the Chinese schools, as soon as they are admitted, are taught how to behave themselves, why they must study their own language and history besides English, what their relation is to the government under which they are residing and to their fatherland, etc. It cannot be concealed that the teachers of the Chinese schools are poorly paid and the boys and girls after graduation are supposed to speak not so good English as their brothers and sisters who have studied in the English Schools do, but it must be recognised by all that without these poor teachers, as they are sometimes called by the Chinese capitalists, the Chinese here as everywhere else have already lost their nationalism.

No matter how poor is the financial condition of the family of a girl in a Chinese school, she will put on a Shanghai-style dress in a neat manner with stockings and shoes, instead of slippers as their sisters in an English school do. No girl in a Chinese school will wear Malay dress while going to school. Most girls in the Chinese schools are bobbed-haired, but very few are so in the English schools.

Marriage of free choice is still unknown here. The mother is the queen of the family, who is everything. The bridegroom may not know who is going to be his bride until the last few days of the marriage and the bride is equally ignorant. Whether the husband or wife is good or bad, nice or ugly, educated or illiterate, he or she must be silent. Nobody wants to bring about a family reform, no matter how well he or she is educated in London or elsewhere. It seems that they are much contented therewith, though it seems mediaeval to all civilised peoples.

Despite their changed surroundings, our compatriots always keep the traditions handed down by their ancestors from time immemorial. Every festival that is observed in their fatherland is more strictly and piously observed here. They like to be rich not by hard working but by the favor of some god. They do not realize that time is always changing and that in future when competition is keen, only the fittest can survive.

What is the most deplorable is that all the shareholders of one of the two English daily papers here keep silent as regards the condemnation upon their fatherland from time to time, though it is a purely Chinese concern. The editor has never remembered that he is paid by Chinese and the directors seem to be pleased to have such a "diehard" edit their paper.

c/Chung Ling High School, Penang, S. S.

## Siamese Chinese Effectively Boycott Japanese Traders

Siao Fuh-shing, special representative of the Chinese in Siam, was entertained at Canton recently by Gen. Chen Ming-chu, chairman of the Kwangtung Provincial Council. Mr. Siao has come to China to attend the Sun Yat-sen burial service. In a speech made at the dinner he said there are about 1,200,000 Chinese in Siam and they had whole-heartedly supported the anti-Japanese boycott, with the result that the Japanese business loss in Siam amounted to $50,000,000.

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| No. 2 Dock ..... | 502- „ | 70- „ | 60- „ | 23- „ |

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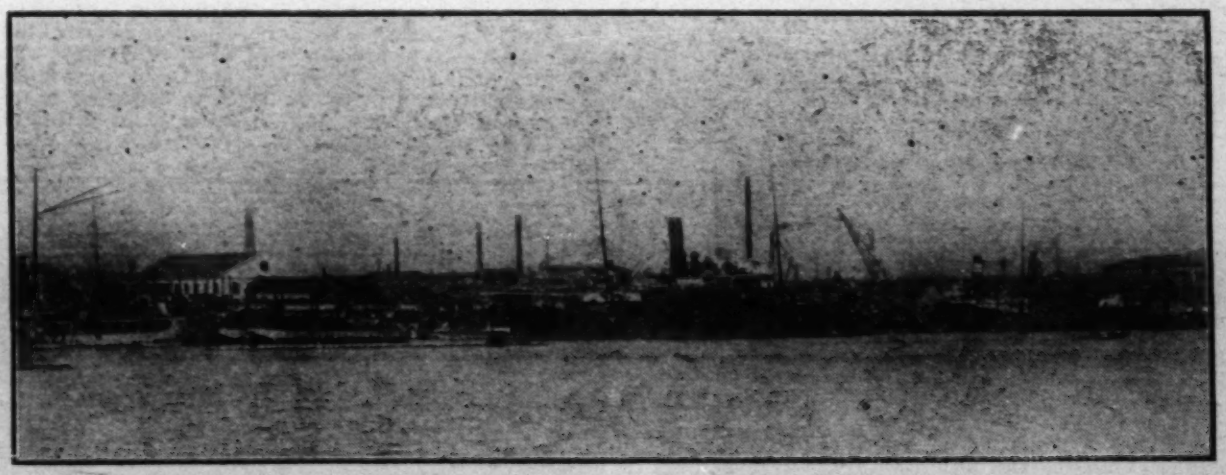

# The Revised Tariff and Extra-Territoriality

BY CHUN YUNG LEE

WITH the enforcement, on February 1 of the Revised Tariff Schedule as promulgated by the Nanking National Government, the Chinese passion for the abolition of unequal treaties abates a while. But this is only one lull in the tempest. The Powers for one reason or another did not give China complete tariff antonomy outright; they simply put her on probation for one year. Moreover, the unusually low tariff fixed at 5% ad valorem is only one of the provisions of unequal treaties. Besides, there are others such as extra-territoriality, foreign settlements, treaty ports, leased territories, spheres of interest, legation quarters, inland navigation, priority right, etc. Under such bondage and obstacle, it is absolutely hopeless and impossible for a weak China to develop her industries to run on a par with the Powers, and in the end to secure a livelihood for her citizens. Reminded of these facts, any loyal and patriotic citizens of China cannot be indifferent to the question of unequal treaties, and can not but continue the movement for their abolition. They, therefore, will not be satisfied with the enforcement of the present Revised Tariff Schedule. It is, however, in this short article, not the intention of the writer to argue or agitate for the abrogation of the above enumerated few unequal provisions in totality. Yet it is his intention to appeal to the Chinese public and government, fair-minded foreign individuals and governments alike that the present semi-autonomy of tariff for China is not enough when various factors and changes are taken into consideration. Something more should be got by China on the one hand, and conceded by the Powers on the other. That is Extra-territoriality.

### Infringes Sovereignty

Extrality infringes the sovereignty of China and nullifies her territorial and administrative integrity. Assuming its origin in the Treaty of Nerchinsk and taking a definite form in the treaties of Wanghsia and Wampoa respectively with the U. S. A. and France in 1844, its practice still lasts today. However, China is not unaware of its evil. Since 1901 it has been the bone of diplomatic contention for a number of years. Though without much substantial improvement achieved, a number of treaties have been concluded between China and foreign states regarding this question. Thus in the Mackay Treaty with England in 1902, Article XII contains the following clause,

> "China having expressed a strong desire to reform her judicial system and to bring it into accord with that of Western Nations, Great Britain agrees to give every assistance to such reform, and she will also be prepared to relinquish her extra-territorial rights when she is satisfied that the state of the Chinese laws, the arrangement for their administration, and other considerations warrant her in so doing."

Though the text was poorly drafted and full of loopholes because it gave Great Britain unilateral judgment in the state of Chinese laws, it marked the beginning of a foreign state which would relinquish her extra-territorial rights. On Oct. 8th of the next year, two treaties were made with the U. S. A. and Japan respectively. Articles XV in the former and XI in the latter are simply, with the titles of the parties changed, duplicates of the foregoing quoted clause. The most unsatisfactory and weak points, as may have been noted, are two: (1) China not a party to judge her own state of laws, and (2) no definite date set for the relinquishment of extra-territorial rights by the Powers.

### The Washington Conference

The year 1922 witnessed the time-honored Washington Conferrence, one result of which was the conclusion of a treaty between the Nine Powers relating to the principles and policies to be followed in matters concerning China. The importance or significance of this treaty is the espousal of democratic principles and spirit, because the parties to it were, to quote the preamble, "desiring to adopt a policy designed to stabilize conditions in the Far East, to safeguard the rights and interests of China, and to promote intercourse between China and the other powers upon the basis of equality of opportunity." The most important point concerning our topic, however, is contained in Article one. A part of this article appears in the following:

> "The Contracting Powers, other than China, agree:
>
> (1) to respect the sovereignty, the independence, and the territorial and administrative integrity of China;
>
> (2) To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government."

It is obvious that these few passages mean Salvation to China, because as soon as the Powers "respect the sovereignty, the independence, and the territorial and administrative integrity of China," Extrality must go. It is unfortunate, however, that nothing material had been done thus so far to fulfill the lofty aim of this treaty. Neither were the Powers obliged to give up their extra-territorial rights nor was a definite date designated for the end of such rights! We can know this by the Resolution which reads as follows:—

> "The representatives of the Powers. . . .have resolved that governments of the powers above named shall establish a commission to inquire into the present practice of extra-territorial jurisdiction in China, and into the laws and the judicial system and the methods of judicial administration of China, with a view to reporting to the governments of the several Powers above named their findings of facts in regard to these matters, and their recommendations as to such means as they find suitable to improve the existing conditions of the administration of justice in China, and to assist and further the efforts of the Chinese government to effect such legislation and judicial reform as would warrant the several Powers in relinquishing, either progressively or otherwise, their respective rights of Extraterritoriality. . . .That each of the Powers above named shall be deemed free to accept or to reject all or any portion of the recommendation of the Commission herein contemplated. . . ."

### A Transitional Period

With such a diplomatic development for the abrogation of foreign extra-territorial rights in China, we certainly want some definite steps taken and something substantial done. By this I do not mean to maintain the *status quo* of the present practice, nor do I mean its immediate abolition. What I propose is really some definite transitional period during which Extraterritorality is modified in such a way as to prepare a way for its final disappearance. This arrangement is at once comparable to the present tariff transitional period. Doubtless it will be unsatisfactory to those Chinese who are eager to see the abrogation of all unequal treaties. Indeed, they are justified for not being satisfied, because no citizen would like to see the sovereignty of his nation infringed. Although the writer is open to criticism, he wants to ask his fellow-countrymen to be passionate and look into the nature of things whether immediate abrogation of Extrality, not to speak of all unequal treaties, is possible through ordinary peaceful diplomatic means. And he wants to assure them that if the Chinese as a nation can unite in one accord and China as a state can advance gradually but steadily, all the unequal treaties, not to say Extrality only, will decidedly go within ten years,

### Those Who Oppose

My proposal will also be obnoxious to those aggressive and oppressive foreign individuals and governments whose nationals enjoy the privilege of being under their own laws in the land of China. To those people the writer should like to call attention to the fact that if they really want friendship and amity better cultivated between the Chinese and themselves they must respect others' national dignity and sovereignty, or ill-feeling will be kindled, quarrels endless, and relation severed. As to foreign governments, they are, in the first place, under the legal obligation to observe the treaty made in the Washington Conference, which espoused the noble idea of China's sovereignty and territorial and administrative integrity. I wonder how a state can maintain her national honor without living up to the treaties which amount to her constitutional law. In the second place, the foreign governments should accept the principle of *rebus sic stantibus* generally recognized by International Law authorities. Some extra-territorial provisions are in force well over eighty years. Since their conclusion China has undergone vital changes politically, educationally, economically, and what not. How can such "archaic" provisions still be binding? Moreover, China has recently been unified under one central national government, whose commercial, labor, civil and criminal laws are being codified. These laws are brought into accord with those of the Western States, and will be administered equitably and impartially both to Chinese and foreigners. In the last place, they should reason objectively that if the fixed Chinese tariff can be changed and modified, why not Extrality?

Up to this point of our discussion, may the writer see some kind of revision of extra-territoriality in the nearest possible future, with the hope that it paves the way for its final abandonment, that it put China on an equal footing in the family of nations, and that friendship and co-operation be better cemented.

Shanghai College, Feb. 21, 1929.

# WARNING!

The public is hereby warned against purchasing or exhibiting Neon signs infringing the rights of Georges Claude under Patent No. 1,125,476. Claude Neon lights Federal Inc., U. S. A. with offices in the Hongkong & Shanghai Bank Building, Shanghai, have the exclusive manufacturing and distributing rights under this patent in China. Infringers of such rights will be prosecuted to the full extent of the law.

**FLEMING, FRANKLIN & ALLMAN**

**Attorneys for**

**Cladue Neon Lights**
**Federal Inc., U.S.A.**

## *Letter Giving Opinion of Counsel for Claude Neon Lights, Inc., on Scope and Effect of Neon Patent Decision*

November 27th, 1928.

Claude Neon Lights, Inc.,
50 East 42nd Street,
New York City.

Gentlemen:—

Pursuant to your request, we are giving you our views of the scope and effect of the decision, dated July 2, 1928, of the United States Circuit Court of Appeals of this circuit in the case of Claude Neon Lights, Inc., versus E. Machlett & Son.

The defendant, under a bond of $100,000, petitioned the Supreme Court of the United States for a Writ of Certiorari, but the Supreme Court denied the petition.

The decision of the court under the tube patent No. 1,125,476, which was held to be valid and infringed, gives your company practically exclusive rights to the manufacture, use and sale of Neon Gaseous conductor tubes, because, in so far as we know, no efficient, long-life Neon tube has been made which does not use the combination of elements, or their equivalents, of which this patent secures you the exclusive rights.

Rainbow Light, Inc., assumed the defense and has been made a defendant in the case, and with its privies is bound by the decree which has now been entered, sustaining the tube patent and finding infringement by the Machlett tubes in evidence.

An important feature of the decision is the paragraph on page 13, which deals with Rainbow's so-called button-caesium electrode. The Court says:

> "The Caesium plays a part which is equivalent to additional surface area of the electrodes. It is equivalent to additional electrodes."

It is our opinion that the decision is of such a sweeping nature as will enable you to enjoin all known types of neon tubes now on the market which are of sufficient efficiency and length of life to compete with Claude Neon tubes.

As the first patent in suit is on the tube itself and was held to be broadly patentable on the combination defined by it, the second patent is not necessary to enable you to enjoy the exclusive rights to the manufacture, use and sale of neon gaseous discharge tubes, having long-life and efficiency.

Yours very truly,

(Signed) Edwin J. Prindle
(Signed) Thomas Ewing
(Signed) William Bohleber

Counsel for Plaintiff

*Claude Neon Lights (Federal Incorporated, U. S. A.) Shanhai, China, are Sole owners of the above patents for the Far East, and infringements on these patents will be fully prosecuted by the world-wide Claude Neon organizations.*

# Men and Events

Arthur R. Ringwalt arrived from the United States during the week to serve as Vice Consul at the U. S. Consulate General in Shanghai.

Dr. Wu Lien-teh was a speaker at the annual meeting of the Chinese Mission to Lepers held in the Bankers Club, Shanghai, February 28 at 7.30 p.m.

Tung Wen College, which is situated on Hungjao road on the outskirts of Shanghai, will hold its 25th commencement day exercises Sunday morning, March 3, at 10 o'clock.

H. Y. Moh, Vice-Minister of Industry and Commerce, returned to Shanghai end of last week after attending the carnival at Manila where he had charge of an exhibition of Chinese products.

David Lawrence, editor of the *United States Daily*, published at Washington, D. C. stated in a recent broadcasted radio talk that there was a great demand in China for motor boats, sideboard type, low streams.

R. D. Denman, of Staffield Hall, Kirkoswald, England, is at present in Shanghai. He represents a British syndicate which has in mind the possible purchase of the Shanghai Municipal Electricity plant.

A dispatch from Washington, D. C., during the week stated that Secretary of State Kellogg and Dr. C. C. Wu, the Chinese Minister, exchanged ratification on February 20 of the Sino-American Tariff Treaty signed at Peiping last July.

The Bureau of Markets of the Ministry of Finance has issued a price index for Shanghai covering the month of January showing the range of import prices, index numbers of wholesale prices in Shanghai, exchange and interest rates, etc.

Julean Arnold, U. S. Commerical Attache, is at present in Shanghai stopping at the Astor Huse. Mr. Arnold is making one of his periodical inspection tours through the country and will proceed from here to various points in south China.

J. V. A. MacMurray, the American Minister, arrived at Nanking February 27, and made formal calls on the heads of the National Government. Dr. C. T. Wang, Minister of Foreign Affairs, gave a dinner in Mr. MacMurray's honor in the evening.

The *Y.'s Spokesman*, the official organ of the Y. M. C. A. of Shanghai. in its issue of February 28 announces that the annual meeting, will be held March 27, at which time Dr. John. R. Mott president of the World's Committee, will be passing through Shanghai.

The Shanghai Land Investment Co., Ltd, at its annual meeting during the week declared a further 6 per cent dividend, a bonus of six perecent, and this, added to a previous interim dividend of six per cent, made a total return for the year of 18 per cent for the year ended December last.

Herbert Hoover, president-elect of the United States, has presented the American Club of Shanghai with his autographed photograph. This photograph will be formally handed over and hung in the lobby of the Club by E. S. Cunningham, U. S. Consul General, on Monday, March 4, (Inauguration Day) at 12.15. p.m.

Miss Dorothy Hill, who was engaged in research work in Peiping in connection with a social and economic survey of that city about four years ago, has returned to China and is now connected with the City Planning Bureau at Nanking. Since leaving China Miss Hill has been connected with the Foreign Policy Association of New York City.

Miles W. Vaughn, manager in the Far East for the *United Press Association*, with headquarters in Tokyo, arrived in Shanghai this week and plans to remain here for some time for the purpose of establishing an office here. Randall Gould, representative for the *United Press* in Manila, will be transferred here shortly and will have charge of the Shanghai office.

The *Yih Shih Pao*, a Chinese daily newspaper printed at Tientsin, recently reported that hostilities on the Hupeh-Honan border had broken out and as a result the military counsellor's board of the State Council sent a telegram to Gen. Fu Tso-yi, the commander at Tientsin, asking that the paper should be ordered to publish a retraction of the report in heavy type for fifteen days.

A meeting of members of the Phi Beta Kappa fraternity, the oldest of American College honor societies, was held in the Missions Building, Wednesday afternoon, February 20 to initiate a new member and to effect a permanent regional organization. The following officers were elected: Dr. H. C. Mei, president; Dr. D. Willard Lyon, vice-president; Rev. C. L. Boynton, secretary-treasurer; and Miss Irene M. Campbell and Miss Helen Yun, other members of the Executive Committee.

The Feb. 3 issue of the Paris edition of the *Chicago Tribune* contains a biographical sketch of Thornton Wilder, famous as a novelist. He is a son Amos P. Wilder, and was a school boy in Shanghai from the year 1909 to 1914 when his father was U. S. Consul General here. When not busy writing novels, Thornton Wilder teaches French and modern languages at Lawrenceville School, New Jersey. Amos P. Wilder has in the meantime retired from the Consular service and is associate editor of the New Haven *Journal-Courier*.

## Shanghai College Makes Great Strides

To afford the students an opportunity to develop themselves to the fullest and to encourage them to attain the highest quality of scholarship possible several new measures have been adopted by Shanghai College this semester which officially began February 21 with a record enrollment in both the Middle School and the College. For the first time the graduates of Shanghai College, prior to their graduation this summer, will be required to submit a thesis which will embody at once the result of the independent thinking of the students and the outcome of their study under the directon and guidance of the different teachers.

Another feature to be inaugurated in the way of encouraging the students to do their best work will be the organizing of an Honor Society somewhat along the lines of the Phi Beta Kappa. The fundamental and primary object in initiating and adopting these new measures, as explained by President Herman C. E. Liu, is to elicit the best that is within a student and thereby to elevate the scholastic standard of the entire student body.

Special efforts are being made by the Middle School to extend the Business department, and to this end questionnaires have been sent out to both employers and employees in Shanghai.

Dr. Liu is announced to depart from Shanghai March 29 for the United States where he will travel and lecture in various parts of the country. He will also attend the World Educational Conference in Geneva, Switzerland, July 25–August 3.

## In the American Consular Court for the District of Shanghai, China.

In re Estate of HARRIETTE SPINNEY ROBERTSON, Deceased

Estate No. 105

NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of Harriette Spinney Robertson, deceased, to present the same with vouchers to the undersigned on or before September 1st 1929, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

MABEL L. MORRELL
c/o Yangtsze Insurance Assn.
26 The Bund,
Shanghai.

Shanghai, China,
February 27, 1929.

# Who's Who in China

**Gen. Lu Chung-lin**
**鹿鐘麟字瑞伯**

Gen. Lu Chung-lin, a native of Tingchow, Hopei province, was born in 1884. Beginning life as a student in a military school, he was regarded with respect by Gen. Feng Yu-hsiang because of his talent. In 1915 he was at first staff officer of the 4th Mixed Brigade and later a battalion commander of the 16th Mixed Brigade, participating in the fights against Chang Hsnan, Chen Shu-fan and Chao Ti. In 1922 he was appointed Director of Police Administration in Honan province. In October, 1925 when Gen. Feng deserted Wu Pei-fu, Gen. Lu, then a brigade commander under Gen. Feng, occupied Peiping and became Peking Garrison Commander; he was responsible for driving the ex-emperor from the old palace. In the same year he was promoted to be an army division commander and concurrently Commander in Chief of the Metropolitan Defense Commission; Inspector-general of the Metropolitan Police Administration and director of the Municipal Administration of Peking. Upon the split between the Kuominchun and Chang Tso-lin, in the winter of 1925 he fought a good fight at Tientsin and captured Machang, Hingtsi. Later when Wu Pei-fu in Honan allied with Chang Tso-lin, he was defeated and kept his army at Nankow for a while and later was also driven from there. His defeat was of much advantage to the Nationalist drive from Canton. Both Gen. Feng Yu-hsiang and Gen. Lu Chung-lin joined the Nationalist Army in 1926. After re-occupation of Honan by the Kuominchun, Gen. Lu took part in the management of the civil affairs of Honan in the summer of 1927, Soon afterwards, he was appointed Commander-in-Chief of the 9th Flank Army and he led his army eastwards participating in the capture of Hsuchowfu from the grasp of Sun Chuan-fang's army. In the spring of 1928 he was concurrently appointed Commander-in-Chief of the Northern Route Army, and gained victories in the vicinity of Changho, north Honan. In February 1929 when the Northern Expedition had succeeded, Gen. Lu was appointed by the National Government as Vice-Minister of War.

## Railway Construction in South China

The Chinese Ministry of Railways has begun preparations for the construction of the Kwangtung-Yunnan Railway with Penyuhsien (near Kwangtung) and Kwenming as the terminals of the line, linking the important cities of the three Provinces of Kwangtung, Kwangsi and Yunnan, such as Nanhai, Samshui, Shinhing, Takhing, Fungchun, Chongwu, Tengyun, Mongkong, Pingnam, Kwenping, Mosun, Laiping, Chikiang, Tuan, Tunglai, Hingi, Loping, S-tsung, and Luliang. A party of surveyors has been organized by the Ministry, and it will start work in the immediate future.


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# Japanese News Reports on Chinese Situation

*The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service:*

*Tsingtao, Feb. 19.*—Five colored flag is again hoisted at the Bureau of the Commercial Port, following news that Chang Tsung-chang and Wu Kuang-hsin were returning to Shantung. Liu Chen-nien's troops are evicted from Lungkow.

*Chefoo, February 20*—Chang Tsung-chang leaves Dairen for Shantung, and Chihli-Shantung forces commence campaign against Gen. Liu Chen-nien at Chefoo.

*Peiping, Feb. 21.*—Chang Hsueh-liang urges advisability of Hu Han-ming returning from abroad to attend Kuomintang plenary meeting March 15.

*Nanking, Feb. 21.*—Prediciton expressed that forthcoming third plenary Kuomintang session will be formed exclusively with pro-government representatives.

*Peiping, Feb. 22.*—Peiping Legation Administrative Committee decides to refuse all demands of striking Chinese policemen. Chinese "guidance" committee takes advantage of the strike to agitate for rendition of the Legation quarter.

*Chefoo Feb. 22.*—Fierce fighting occurs between main forces of Gen. Liu Chen-nien and remnants of old Chihli-Shantung forces in the sector west of Fooshan.

*Tsinan, Feb. 23.*—Chungkungchen, south of here, is captured by a "People's army," magistrate being taken into custody.

*Chefoo, Feb. 24.*—Fighting continues between belligerent armies under Gen. Liu Chen-nien and Chang Tsung-chang.

*Hankow, Feb. 26.*—Strike committee at Hankow calls joint meeting so as to consolidate anti-Japanese measures.

*Tsingtao, Feb. 26.*—Japanese Consul issues statement that all military movements or agitation in Japanese-guarded zone will be prohibited.

*Peiping, Feb. 26.*—Chinese press states that prior to Chang Tsung-chang's rising, leading members of old Chihli and Anfu clique held conclave at residence of Tseng Yu-chien in Tientsin.

*Tsinan, Feb. 27.*—Chang Tsung-chang representatives call on Japanese authorities to request an understanding. Japanese reply that they intend to maintain strict neutrality.

*Tokyo, Feb. 27.*—Premier Tanaka in interview states that Japan has no intention of resuming negotiations with China.

*Nanking, Feb. 27.*—Sun Fo proposes that China should withdraw from League of Nations.

## Ministry of Finance Tightens Control of Customs Service

The Ministry of Finance at Nanking February 28 issued an order to the Inspector General of Customs (as quoted by the *Ta Chung* news agency) that with the exception of cases of experts not available from the Chinese Staff, the Customs Administration shall not hereafter engage additional foreign staff members. Both Chinese and foreign staff members may be retired with pensions at the discretion of the Inspector-General. Hereafter also Chinese staff members may be appointed to the office of Commissioner of Customs by the Ministry of Finance upon the recommendation of the Inspector-General; and that equal opportunities be accorded to Chinese Customs Inspectors who may be promoted to offices above that of an inspectorship.


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# From the Chinese Press

*(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Ku Min (Nanking official), Ta Chung (Kuo-inchun) and from translations of articles and dispatches appearing in the local Chinese press).*

*Wednesday, February 20.*—National Opium-Suppression Commission asks that negotiations be started with foreign concessions to prohibit opium divans and sale of narcotics.—Ministry of Finance orders abolition of Finance Committee for Hupeh and Hunan—All private electricity plants in country to be placed under supervision of National Reconstruction Commission.—An "abolition of unequal treaties" campaign is launched at Amoy.—Additional steps taken to convert Nanking into a modern city.—At 4th meeting of military disbandment committee decision reached to assist Ministry of Railways in railway construction schemes—Central Model Forest to be established near Nanking.—At meeting of Anti-Japan Association intensification of anti-Japanese activities is urged.—Ministry of Finance issues circular order asking detailed data on financial status of banking institutions in the country.—Nanking Women's Alliances meets at Nanking.—Owing to dismissal by Legation authorities of Chinese chief police inspector, striking police make demands for dismissal of foreign secretary and inspector.

*Thursday, February 21.*—Appointments made of Ministers to various European countries (see elsewhere in this issue of the *Review*).—Feng Yu-hsiang arrives at Peichuan.—Foreign ministers who visit Nanking for negotiating new treaties to travel free on railways.—News received that Norway has ratified treaty with China.—Nanking office of Third Group Army is abolished.—$800,000 of returned Russian Boxer indemnity to go to Peiping University.—Shanghai garrison commander confers with magistrates and other official to discuss measures for maintenance of order.—Chinese at Tientsin offer to subscribe several million dollars for Haiho conservancy.—Wu-Han Native-Products Exhibition opens at Hankow.—Gen. Li Chi-sen delays leaving Canton to come to Nanking.—General Tang Yu-lin resigns Jehol post.—Dr. Tsai Yuan-pei, president of Central Yuan, denies rumors of discord among the various military leaders.—News received from Mexico that said country had tightened up restrictions on Chinese immigration.

*Friday, February 22.*—Provincial Party headquarters to be inauguarated at Canton February 25.—Labor law being drafted by Legislative Yuan.—Gen. Yen Hsi-shan sponsors building of light railway from Pingtichuan to Urga.—Kwangtung and Kwangsi consider plans for inter-provincial telephone service.—Hyrdoplane "Chukiang" carries mail for the first time between Canton and Nanning.—Ministry of Finance issues circular order requesting information from all provinces concerning currency and fiscal systems in use.—Legislative Yuan receiving reports on industrial and agricultural conditions throughout the country.—Gen. Ho Ying-ching in interview denies rumors of discord among various government leaders.—T. V. Soong sends congratulatory telegram to Minister MacMurray on receipt of news that Sino-American tariff treaty had been raitfied.

*Saturday, February 23.*—Central Public Health Committee is formally organized at Nanking.—Chi Ming temple at Nanking being renovated so as to accomodate Examination Yuan.—Chiang Kai-shek, at present at Ningpo sends telegram that he intends to return to Nanking next week.—Five Ryan airplanes in successful flight at Hankow.—Legislative Yuan rules against establishing of a land commission on the ground that question of land ownership will be covered by land law now being considered.—Wu-Han C. P. C. asks for dismissal of Gen. Lu Ting-ping.—Gen. Lu Ting-ping leaves Chansgha surreptitiously—Number of Chinese troops around Shanghai to be increased at request of magistrates.—Gen. Yen Hsi-hsan at Taiyuan recommends promotion of savings societies.—Inter-provincial mail service between Kwangtung and Kwangsi to be permanently established in near future.

**H. B. Campbell**

46 Szechuen Road,
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*Sunday and Monday, February 24 and 25.*—Peiping gendarmerie refuses request of striking Legation police to hold mass meeting.—Nanking army headquarters instructs Gen. Jen Ying-chi at Haichow to despatch fresh troops to Chefoo to strengthen Gen. Liu Chen-nien's position.—Nanking orders provinces to enforce anti-opium law from March 1.—Gen. Hsiung Bin, in charge of aviation at Nanking, expresses great satisfaction at completion of first "home-made" airplane.—Ministry of Foreign Affairs transmits to provinces information that a committee for the liquidation of domestic and foreign debts has been organized.—National Highway Planning Commission formally inaugurated at Nanking.—Well known physicians are appointed to places on Central Board of Health.—Nanchang authorities burn large quantity of seized opium.—Kwangsi Provincial Defense forces to be reduced.—Owing to the sudden disappearance of Gen. Lu Ti-ping, chairman of Hunan provincial government, peace is being maintained by a temporary Peace Maintenence Committee.—Ministry of War prepares regulations governing carrying of firearms by foreigners in the interior.—Largely attended anti-Japanese mass meeting is held at Tientsin.—Further preparations are made for the conveying of Dr. Sun's casket from Peiping to Nanking.—Sino-French commission comes to an agreement of amount of damages to be paid for Nanking incident.—Japanese refuse to agree to resumption of through passenger traffic on the Tientsin-Pukow railway.—Public Safety Bureau at Chinkiang makes raid on houses of illfame.—Generals Ma and Yang in Shantung are ordered by Feng Yu-hsiang to disarm all guerrilla troops and to proceed to Chefoo by a circuitous route so as to assist Gen. Liu Chien-nien in suppressing the uprising which is being fostered by Chang Tsung-chang.

*Tuesday, February 26.*—Canton Chungshan university to send 50 students abroad.—Taihu (lake) conservancy commission appointed.—Chiang Kai-shek urges Yen Hsi-shan and Feng Yu-hsiang to complete troop disbandment promptly.—Famine flour shipments arriving at Shanghai and Tientsin to be exempted from duty.—Military disbandment committee at Nanking announces that $1,625,000 is required monthly to meet repatriation expenses.—Commission on Publications, headed by Y. L. Tong, is organized at Nanking—Further negotiations take place for the rendition of the Belgian Concession at Tientsin.—Telegram from Gen. Lu Ting-ping is made public stating that he did not want to plunge province into another war and when Wu-Han C. P. C. sent body of troops into Hunan province he decided to retire.—March 1 to be observed as vaccination day by order of the Ministry of Public Health.

# New Books of Interest in the Far East

## Critical Periods in China History

*Foreign Diplomacy in China, 1894-1900. By Philip Joseph. London; George Allen and Unwin. 16s.*

This volume is one of the Studies in Economics and Political Science and one of a series of monographs by writers connected with the London School of Economics. It is a welcome addition to the good works to be credited to that excellent institution. It is also a welcome addition to the literature on China and its foreign relations.

There has long been need of works of this character. Of books retelling the general story beginning with the co-hongs and touching in broad outline the chapters of 1842,1858, the battle of the concessions, the Boxer Rebellion, etc., etc., there is already a plethora. Treated generally there is nothing more to be said. The time has come therefore for detailed, intensive examinations of specific periods or situations, examinations supported by documentation from first sources—that is, foreign source , for unfortunately Chinese sources are not yet available. In other words, the time has come for the history of China's foreign relations to be written by historians who have the temperament and equipment of scholars or at least students, instead of by missionairies, business men, reporters, too-mobile tourists, and special pleaders. The field is as yet not pre-empted, for with the exception of Tyler Dennett's "Americans in Eastern Asia," which is restricted to a treatment of American policy, there has been no such work until the appearance of the present volume.

Mr. Joseph concentrates his research on the six years between the Sino-Japanese war and the Boxer Rising. It is his contention that the defeat by Japan ushered in a new period in China's history. From that time forward China became a world problem, an arena of international politics rather than a market for Western trade expansion. And the systematic attempt merely to pierce through a wider ingress into China for commercial purposes became a systematic attempt first to mark off pieces for exclusive possession and then to appropriate them. With this contention one cannot quarrel, provided that it is understood that the ten years previous were a prelude. For even before 1894 the Powers had already given clear indication that they held China to be ripe for the plucking.

Beginning, then, at the outbreak of the war with Japan Mr. Joseph takes us through the harsh peace imposed by Japan, the intervention by Russia, Germany and France which compelled the Japanese to renounce most of the spoils, the loan negotiations to pay off the indemnity, Russia's reward in the Chinese-Eastern railway and then the welter of intrigue for loans, railway concessions and spheres which culminated in the 18-8 leases, the battle of the concessions with banks as weapons and, finally, the eruption of 1900.

It it an absorbing story for the student of foreign affairs and distinctive from all works of the same order in that it is not only thoroughly documented, but is told from the records of European Foreign Offices and diplomatic memoirs rather than Peking hotel gossip. It is a first-hand story, with evidence for every assertion. Further, the story is given in its European setting, as it should be. Mr. Joseph holds that the foreign affairs of China at the end of the century can be understood only in the setting of the grander drama of European politics and intriguery of which it was a minor plot, the drama on which the curtain dropped in 1918.

Mr. Joseph has no thesis to expound, but the conclusion emerges that France and Russia were the villains of the piece. Their aim, essentially one of political hegemony through financial penetration, imposed a new policy on the trading nations, which had till then sought only those conditions under which they could conduct trade most easily. The British, in particular, and the Germans, more or less, would have been content with equality of opportunity, but when France and Germany set out on a course of territorial and economic aggression, self-preservation imposed the same course on the others.

Mr. Joseph also holds the view, more or less as a corollary of the foregoing, that in origin the Open Door policy was British rather than American and he adduces much evidence from first sources to support him. The initiative in the end was American, but the genesis of the policy was British. This must be granted until other evidence is brought forward, but subject to the qualification that there was this basic difference between British and American policy: to the United States the Open Door was from the beginning a fixed and unwavering policy, to Great Britain it was preferable but subject to modification when the European balance of power demanded its abandonment for one of political domination.

Mr. Joseph has done a thoroughly competent piece of work, which should serve as a stimulus to others of the same standard and method on critical periods in China' history—1838-1846, 1856-1862, 1909-1917, 1922-1927. Meanwhile this volume will find a place in every well balanced Far Eastern library.

N. P.

**The Ministry of Railways**

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## North China Desk Hong List 1929

The *North China Desk Hong List*, published by the North China Daily News and Herald, Ltd., Shanghai, has made its appearance for the current year, fully up to the high standard which this, the oldest directory of Shanghai, has always maintained. A volume of more than 800 pages, it contains not only the business addresses and information of firms in Shanghai, but in all other towns of importance in North China. It has various sub-divisions, such as residential addresses, street directories, a list of missionaries throughout China, and much other useful information. The price of the Hong List is $9.

## Exports from China to U.S.A. in 1928 Total G. $133,437,660

The total value of exports from the whole of China to the United States during the year 1928, according to statistics compiled by the U. S. Consulate General, Shanghai, was $133,437,660, of which Shanghai accounted for $44,841,109. Tientsin $42,984,033, and Hankow $15,878,752. The total for 1928 was just slightly under the total for 1927 which was $134,905,912. The year's exports showed only a few striking deviations from the general run of exports. There were the usual quantities of raw silk, antimony, cowhides, goatskins, wood-oil, various furs, etc. There was an exceptional spurt in shelled peanuts to $3,053,454. Another item of growing importance is beancake meal, of which $1,108,958 was shipped. All figures above are U.S. gold.

## Wife of American Marine Officer Burned to Death in Shanghai

Mrs. Clausing, wife of Lieutenant John G. Clausing of the Fourth Regiment, U. S. Marine Corps, stationed in Shanghai, was burned to death during the early hours of February 24 during a fire which swept the top floor of a building in Route des Soeurs. Lieut. Clausing and his wife occupied a room on the top floor. The other inmates of the house, which was a boarding house, were awakened in time to escape, but Mrs. Clausing had succumbed to the flames and smoke by the time a French fireman had dashed into the room to rescue her. Lieut. Clausing made a narrow escape, being found severely burned and in a dazed condition. An inquest has been opened by the American authorities.

## Arora Products Company Opens Shanghai Office

The Arora Products Company, Inc., Los Angeles, has opened a Shanghai office at No. 4 Hankow Road, to sell an electrically charged tube of illuminated Neon gas, known as the Arora Neon system. The Arora Products Company is owned and managed by Burton Daniels, a Californian, who arrived in this city last week, accompanied by his wife and child. It is understood that the Company is prepared to install its system of illumination for store fronts and shop windows, at once.

## FINANCIAL RESULTS OF OPERATION OF CHINESE GOVERNMENT RAILWAYS (1915-1924)

| YEAR | Operating Revenue and Income and Profit & Loss Credit Items TOTAL REVENUE (incl. Oper. Rev., Income and P. & L. Cr. Items.) Amount | Percentage Increase progressive over prev year | over 1915 | yrly. since 1915 | Operating Expenses, Income and Profit and Loss Debit Items. TOTAL EXPENSES (incl. Oper. Exp., Income and P. & L. Dr. Items.) Amount | Percentage Increase progressive over prev year | over 1915 | yrly. since 1915 | PROFIT EARNED Amount | Percentage Increase progressive over prev year | over 1915 | yrly. since 1915 | OPERATING RATIO |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | $ | % | % | % | $ | % | % | % | | % | % | % | |
| 1915 | 56,259,752 | —— | —— | —— | 29,799,391 | —— | —— | —— | 26,460,361 | —— | —— | —— | 52.97 |
| 1916 | 63,536,979 | 12.9 | 12.9 | 12.9 | 29,992,730 | 0.7 | 0.7 | 0.7 | 33,544,249 | 26.8 | 26.8 | 26.8 | 47.21 |
| 1917 | 65,462,562 | 3.0 | 16.4 | 7.9 | 34,116,989 | 13.7 | 14.5 | 7.0 | 31,345,573 | 6.6* | 18.5 | 8.8 | 52.12 |
| 1918 | 81,083,351 | 23.8 | 44.1 | 13.0 | 37,284,178 | 9.3 | 25.1 | 7.8 | 43,799,173 | 39.7 | 65.5 | 18.3 | 45.98 |
| 1919 | 90,041,202 | 11.3 | 60.0 | 12.5 | 41,322,302 | 10.8 | 38.7 | 8.5 | 48,718,900 | 11.2 | 84.1 | 16.5 | 45.89 |
| 1920 | 98,980 601 | 9.1 | 75.9 | 12.0 | 46,800,262 | 13.2 | 57.0 | 9.5 | 52,180,338 | 7.1 | 97.2 | 14.6 | 47.28 |
| 1921 | 102,857,790 | 4.9 | 81.8 | 11.6 | 57,184,253 | 22.2 | 92.0 | 11.5 | 45,673,537 | 12.5* | 72.6 | 9.5 | 55.60 |
| 1922 | 103,808,232 | 0.9 | 84.5 | 9.2 | 61,217,020 | 7.1 | 105.4 | 10.5 | 42,591,212 | 6.7* | 61.0 | 7.0 | 58.97 |
| 1923 | 124,404,202 | 19.8 | 121.1 | 10.4 | 68,116,200 | 11.3 | 128.6 | 10.9 | 56,288,002 | 32.1 | 112.7 | 9.9 | 54.75 |
| 1924 | 125,550,922 | 0.9 | 123.2 | 9.3 | 71,406,574 | 4.8 | 139.6 | 10.2 | 54,144,348 | 3.8* | 104.6 | 8.3 | 56.88 |

Note 1. Figures with asterisk denote decreased percentages.

Note 2. The operating ratios given in this table are the ratios between the total revenue and the total expenses, as against the ordinary operating ratios used in the Annual Reports which are the ratios between operating revenue and operating expenses. For the purpose of this investigation, the profits earned yearly are required; hence the use of the ratios in this table.

Note 3. Interest charges on funded and current debts as well as interest on Government investments are not included under expenses.

# Estimate of the Chinese Government Railways For Years 1930-1934.

A statement by the Ministry of Railways shows that the total revenue of the Chinese Government Railways increased from $56,000,00 in 1915 to $125,000,000 in 1924, an average yearly increase of 9.3%. The best years of increase of revenue were 1918 and 1923, being 23.8 and 19.8% respectively, while the worst years were 1922 and 1924 when the Railways were seriously affected by military disturbance. The figures for the years 1915-1918 showed the normal growth of the Railways. Although the increase was a little retarded from 1918-1921 and in spite of the conditions affecting the Railways during 1922 and 1924, the average yearly rate of increase in revenue for the entire period 1915-1924 was 9.3%. It can be safely said that if the Railways could be operated under normal conditions throughout the whole period, the rate of increase would have been much higher. This can be also substantiated by the results of performance of the South Manchuria Railway, which among all foreign-operated railways, operates under conditions most nearly approaching those under which the Chinese Government Railways are operated. In 1924, the South Manchuria Railway earned a revenue of about $100,000-000, operating a length of 2700 kilometres of line as compared to 9600 kilometers of Chinese Railways. It therefore yielded in 1924 about 80% of the Chinese Government Railway revenue with only one-third the kilometrage and rollingstock. Its revenue for 1926-1927 reached the amount of $120,000,000 and this was brought about by the efficiency in management, the better and more complete equipment and auxiliary operations, and last but not least, immunity from military interference. If therefore, the Chinese Government Railways were operating under normal conditions like the South Manchuria Railway, its total revenue would have been at least $150,000,000 which is only half of what the Chinese Government Railways should earn in three times the kilometrage and rollingstock of the South Manchuria Railway. However, conditions during the years 1924-1928 were such that normal growth among the railways was impossible. Indeed, work ot rehabilitation has to be extensively and energetically carried out on nearly all the Government Railways of the system before the railways could be put on a normal working basis. Granting that the whole year of 1929 be given to rehabilitation work, we can reasonably expect 1930 to be the beginning of the new era of the Chinese Government Railways with an estimated revenue of $150,000,000, but of still less an amount of $125,000,000, being the amount of revenue for 1924. As the average yearly rate of increase has been found to be 9.3%, would apply this rate to the estimated revenue for the years 1930 to 1934.

The total expenses of the Chinese Goverament Railways increased from $29,799,000 in 1915 to $71,400.000 in 1924. The increase of expenses took sudden jumps in 1917, 1921 and 1921, which greatly affected the net earnings. The average yearly increase of expenses is 10.2% which, when compared with the average yearly increase of expenses of revenue of 9.3%, is nearly 1% higher. Again, when we take into consideration the percentage of total operating expenses on total operating revenue, we find that it varies from 45.89% in 1919 to 58.97% in 1922. The average for the entire period is 51.77%, but this includes the figures for the years 1922 and 1924 when heavy expenses due to the disturbed conditions of the country were incurred by the Railways. Such a state of affairs, says the Ministry, must be corrected and proper and effective steps taken to reduce and keep expenses of the railway to and within proper and reasonable limits. To attain this object, the Ministry of Railways is now exercising direct control over the personnel and finances of the various Railway Administrations, and it is expected that the percentage of total operating expenses on total operating revenue will be kept down below fifty. The percentage of total operating expenses on total operating revenue of the South Manchuria Railway is about forty, and there is no reason why the Chinese Government Railways operating almost under similar conditions as the South Manchuria Railway, can not keep its percentage below fifty. As a conservative estimate for the purpose of calculation, we take fifty in the following table.

With the revenue of the five years 1930-1934 increasing 9% yearly and the operating percentage at fifty, the net earnings will be increased from $62,500,000 in 1930 to $88,250,000 in 1934. Deducting 6% interest on $411,000,000 of obligations and appropriations of $15,000,000 annually for additions and betterments, there will be a balance available of from $22,840,000 in 1930 to $48,590,000 in 1934.

## ESTIMATED PROFITS OF CHINESE GOVERNMENT RAILWAYS FOR 1930-1934

| Year | Total Rev. increasing 9% yearly | Oper. % | Total Expenses | Net Profit | 6% on 550 millions (1) | Appropr'ns for adds. & betterm't's | Bal. avail. for other purposes |
|---|---|---|---|---|---|---|---|
| | $ | | $ | $ | $ | $ | $ |
| 1930 | 125,000,000 | 50 | 62,500,000 | 62,500,000 | 33,000,000 | 15,000,000 | 14,500,000 |
| 1931 | 136,250,000 | 50 | 68,125,000 | 68,125,000 | 33,000,000 | 15,000,000 | 20,125,000 |
| 1932 | 148,512,500 | 50 | 74,256,250 | 74,256,250 | 33,000,000 | 15,000,000 | 26,256,250 |
| 1933 | 161,878,625 | 50 | 80,939,313 | 80,939,313 | 33,000,000 | 15,000,000 | 32,939,312 |
| 1934 | 176,447,701 | 50 | 88,223,851 | 88,223,850 | 33,000,000 | 15,000,000 | 40,223,850 |

Note 1. $550,000,000 is the approximate amount of the total obligations of the Chinese Government Railways.

Note 2. This table is calculated for the years 1930-1934. The year 1929 is not included because of the necessity of allowing the railways some time, say one year, to rehabilitate themselves after so many years of disorganization.

## THE PACIFIC ERA BEGINS

*(Continued from page 28)*

United States an Asiatic power. To argue now whether or not we should ever have accepted them is beside the point. They are in our control, and the mere fact that they have enabled us to keep there a powerful fleet has been of help to us in championing our peaceful interests in the Pacific. Furthermore, they give us an outpost which in time will serve as a depot for American commerce. In themselves they have added materially to our trade, and promise, as the years continue, to buy and sell more. So long as we are in the Philippines we are a vital factor in maintaining the political balance of power in the Far East. Were we to withdraw, our prestige would vanish, and with it our moral influence and much of our trade.

If the acquisition of the Philippines made us an Asiatic power, it may be said that the cutting of the Panama Canal made us a world power in the most literal sense of the word. This act has rightly been described as the most important geographic event since the voyage of Columbus. It has revolutionized the direction of world commerce and has been instrumental in the reorientation of world politics. This canal made the United States an island, and not only greatly shortened the distance by sea between the Atlantic and the Pacific, but so greatly increased the mobility of our fleet by enabling us to concentrate our ships promptly in either ocean that we have become the second greatest naval power in the world.

Panama today is the Eastern gateway of the Pacific, just as Singapore stands guard at the West. Great Britain is developing Singapore as her furthermost Oriental base, where her merchantmen and warships may refuel and be repaired. She has strengthened it so as to make it a link in the defense of Australia and New Zealand. At the same time it affords protection to the Dutch East Indies lying all about it and, incidentally, to the Philippines. There is, in fact, a community of interest among Great Britain, Holland, and the United States in preserving the peace in the island world stretching from the Philippines to Australia.

Owing to the development of communications, the Pacific has become a unit. Anything which affects Singapore concerns the United States, Holland, Japan, Canada, and all the nations that border the Pacific. The same is true of Panama. So also Japan's quarrel with China about Manchuria concerns all the other nations in the Pacific. As an Asiatic power we cannot dissociate ourselves from the affairs of the Pacific. To do so means merely to close our eyes, not to avoid the consequence.

Fortunately the people of the Pacific Coast States are now aware of this. But the rest of the country is indifferent. It remains the task of those who live on the shore of the great imperial ocean to drive home to their fellow citizens across the Rockies that the era of the Pacific is at hand.

The United States is to the world today—and to the Pacific in particular—much as was England to the continent of Europe during the last two centuries—commercially interested but politically detached save when it is necessary to interfere to preserve the peace. In the Pacific this means a policy of independence without isolation, of cooperation with commitments, so that we may the better uphold those principles which have determined our relations with other nations since the founding of the Republic.

## OVERSEAS CHINESE PATRIOTISM

*(Continued from page 11)*

In conclusion, allow me the liberty to say, that overseas Chinese, judging by their past merits in playing the part of a backbone from first to last during the Nationalist Movement, under the constant scare of being "a man without country" are simply loving their country with sacrifice and seld-denial, the love at its best. They realize full well the wise saying:

"Is it an offence, is it a mistake, is it a crime to take a hopeful view of the prospects of your own country? Why it should be? Why should patriotism and pessimism be identical? Hope is the main spring of patriotism".—D. Lloyd George.

They cherish the principle contained in the foregoing statement to their heart, by which alone, they believe, their patriotism will be consolidated. Assuredly they are right.

Penang, S. S., Feb. 8, 1929.

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## Fourth Regiment U. S. Marines Preparing Map of Shanghai

The Fourth Regiment U.S. Marines is preparing a detailed large scale map of Shanghai. Work on the map has been going on for over a year. The scale used is 200 ft. to an inch. When completed the map will consist of ten sheets each measuring 30 inches by 32 inches. Six sheets are devoted to the Eastern area (north and south of Soochow creek) and four to the Central and Western districts (south and west of Soochow creek). The map is being prepared by the Intelligence section of the Regiment. It will have the names of all prominent business establishments, the location and classification of other buildings, together with all alleys, street numbers and intersections—in short it will be the most complete map of the city that has ever been made. Is is being prepared primarily for military purposes, but will be even more valuable for ordinary every-day use. The chief draftsman is Private W. T. Holmquist of the Marines, and he has been "on the job" since its inception. The map is now two-thirds completed. Further details of the preparation of the map are contained in *Walla Walla*, the sprightly little publication which is issued by the Fourth Regiment.

## EASTERN AND WESTERN VICES AND VIRTUES

*(Continued from page 12)*

"concern for physical suffering." Even the gentle art of fishing is unpleasant for the fish.

### Untruthfulness

Concerning the Chinese vice of untruthfulness, it strikes the Westerner very much in the courts of the foreign settlements in China, and is an undeniable vice. But it depends very much on the whole scheme of life in which it is employed. The Chinese do not deceive one another and do not mean to. Verbal truthfulness they have not got, particularly when dealing with Europeans whom they know do not understand them. In courage, the Chinese in some forms of courage beat Western people as much as the latter beat the Chinese in the more martial kinds. Amongst Chinese virtues we must enumerate cheerfulness, politeness, respect for age, goodness, mutual forbearance, patience, self-denial and self-sacrifice (quite essential to getting on together when people are miserably poor).

The general result to be traced from the history of the Chinese is that individuals have learned to govern themselves. It strikes the Oriental that the Westerner has not thought out the problem of life very much.

### The Necessity for Understanding

Western people in China should try to understand their Chinese neighbors. The first means of contact is not even by learning the language or the arts but simply by sympathizing. If we are friendly, the Chinese discover it at once and do not hesitate to meet our advances. We have to give them our confidence. A lot of people come to China and not understanding the people, get suspicious. We are apt to bully them and they notice it very much, politically and socially and in every department. It is really very sad that people should come to the East and live out of touch with the people amongst whom they are. We, foreign residents, are alongside a civilization absolutely different from our own, with achievements in literature and art which, when one knows and understands them, will be found amongst the greatest in the world.

Canton, February 9, 1929.

## WHAT A PROVINCE MAY DO WHEN AT PEACE

*(Continued from page 16)*

only illegitimate business may fear opposition from the authorities.

The leaders of Kwangsi these days clearly see the poverty existing among the people, despite a province full of resources and of large area and they realize that, unless outside capital and skill come to their relief, what is before them cannot be developed and the people will remain in their present miserable condition. The Government are now forming principles, policy, and a programme of action for the betterment of their territory and people; and they hope, with their minds open and desires known, co-operation from people inside and outside will be effected, and a less-poor but a more prosperous Kwangsi will not only help China but a better world trade.

Nanning, Kwangsi, February 6, 1929.

## M. Avenol Visits Hankow and Proceeds North

M. Avenol, Assistant Secretary-General of the League of Nations, after being a guest at numerous functions in Shanghai proceeded last week to Hankow in company which four interpreters. He was received at Hankow by the Commissiomer of Foreign Affairs for Hupeh and other officials. After he had called on various Government leaders M. Avenol was entertained at luncheon by the Commissioner of Foreign Affairs at noon and by the Garrison Commander General Hu Tsung-tu at dinner in the evening. He later visited various places of historical interest in Wu-Han and then proceeded north. M. Avenol at Hankow expressed great satisfaction over the political organizations now existing under the aegis of the Kuomintang. He further voiced his agreement with Dr. Sun's doctrines and expressed his conviction that the political, economic and educational conditions of the country are improving rapidly. "I have come" he said, to the *Ta Chung* news agency, "to convey to your people the sympathy of the League of Nations for your aspirations as well as to report to you on the latest situation of the League. I find new China progressive and hopeful. I hope, therefore, that at next session of the League this promising country will dispatch a delegation to help us solve various world problems with which China is closely bound up."

In Shanghai last week M. Avenol was entertained by the Chinese Chamber of Commerce, the Pan-Pacific Association and the National Anti-Opium Association.

In his various addresses M. Avenol stressed the value of the work of the League of Nations. The relations between China and all nations, he said should remain on a sound political basis. As experts, he and other members of the League of Nations had received no instructions whatsoever from their respective Governments and were solely responsible to the Council of the League, and it was his fervent hope that should difficulties arise China would immediately submit them to the unbiassed and impartial experts of the League. During the past ten years, most of the work of the League had been confined to Europe but the work there had practically been accomplished. Not that everything was at peace in Europe and that all the problems had been solved, but the countries of Europe now had a feeling of confidence in the League. And a feeling of confidence was necessary.

M. Avenol, Assistant Secretary-General of the League of Nations

Enlarging on trade competition in China, M. Avenol said that the competition was so big and the market so large that it might well turn out to be a very dangerous thing, a dangerous political issue. In securing its national independence, the National Government had played a very large part in the future of China and the Far East generally, and China, by seeking the aid of the League of Nations might well bring about a peaceful solution of the problems of the Pacific. Personally, and from his observations, M. Avenol was very optimistic regarding the future of China and expressed it as his opinion that she would in the future lead other countries in rapid development. China had not been supporting the League very strongly, he said, for several reasons. The country had experienced ten very difficult years since the formation of the League but he held out great hopes for progressive China as it was today. And with the advancement of the new China there would come closer co-operation with the League of Nations. The League of Nations knew the hopes of China and China well realized the sympathetic attitude of the League. China was encouraged because she knew that she had the support and the encouragement of the various Powers of the world, he added.

## Reconstruction Council to Erect Wireless Stations

The Reconstruction Council, according to the Chinese papers, has decided to erect two wireless despatching stations, one at Chenju and the other at Paoshan. Arrangements also are being made to erect a station for the receiving of foreign messages.


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## Pamphlet of 1928 Treaties

1928 saw the signature of new treaties be bween China and twelve foreign powers. All of these provided for tariff autonomy for China and mutual most favored nation treatment on tariff matters. Five of them also outlined definite steps toward the abolition of extra-territoriality.

Taken together, these treaties mark the beginning of a new era in China's treaty relations. The documents thus are invaluable as records and for reference purposes.

The full official texts of these treaties will be issued in pamphlet form by *The Peking Leader*. These will be on sale at the following prices, which include postage:

**PAPER BOUND**

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## League's Rejection of American Opium Suppression Plan

*(Associated Press Dispatch in the Chicago Tribune, Feb. 1)*

Washington, D. C., Jan. 31.— Representative Stephen G. Porter of Pennsylvania declared tonight that he is making an investigation of opium manufacturing by foreign countries which are the chief producers in that field and "one or more of those governments will hear from congress in no uncertain terms" as soon as his inquiry is completed.

Discussing the rejection today of the so-called "American plan" for opium and narcotics control by the league of nations opium committee, Mr. Porter, who headed the American delegation to the Geneva opium conference in 1924, said the plan rejected today was an elaboration of the plan his group then proposed.

He said it has been shown conclusively that one or more countries are violating the opium manufacture standards laid down by the Hague 1912 convention, which limited opium production to the world's medicinal needs, and that the United States had protested against this violation without result.

**Attacks Foe of Plan**

Sir John Campbell, who assailed the American plan at the league committee meeting, Mr. Porter said, "has devoted his life to the opium eating traffic in India, from which large revenues are derived." He added that Sir John was "repudiated by the people of India a year ago, and was knighted four years ago by the British government for defeating the original American plan."

Stefano Cavazzoni, the Italian delegate on the committee, has been "America's friend throughout the controversy," Mr. Porter continued, and is "backed up by Premier Mussolini." The Pennsylvania representative said Premier Mussolini had told him last summer that he was "determined to suppress the drug traffic."

**Committee Rejects Plan**

Geneva, Jan. 31.— What was known as "the American plan" for controlling the opium and narcotic evil was rejected today by the opium committee of the league of nations. The committee decided by a vote of 7 to 4 that the plan was impossible of application.

Sir John Campbell, a Scotchman, who represents India on the committee, derided the plan and protested against the "tortuous manner" in which the scheme had been brought before the committee.

He said that although the project was submitted to the United States government by C. K. Crane of Los Angeles, it really had been composed by a former Spanish member of the secretariat of the league. He charged that the whole thing was a piece of skillfully organized propaganda.

The plan proposed that each country should state its narcotic needs in advance and announce publicly as to where the drugs were to be manufactured and purchased.

The plan found a defender in Stefano Cavazzoni of Italy.

## Afghanistan Swings Toward Soviet Russia

The passing of British influence in Afghanistan was definitely indicated in *Reuters* messages from London and India last week stating that the British Minister, Sir Francis Humphrys and other members of the British Legation at Kabul had been withdrawn. A message from London on Feb. 25 stated that "there is no occasion for the British Legation to remain as there is no diplomatic business to transact in the absence of a stable government, while there is every prospect of chaos. . ." A later *Reuters* message stated that "the Germans were offered the fullest facilities for evacuation, but apparently were unable to complete arrangements before departure of the airplanes; the Germans, anyway, are in treaty relations with the Soviets, which has means of evacuating people from the north." Still another message from London on Feb. 28 stated that the German, Persian, Soviet and Turkish Legations had chosen to remain in Kabul, indicating definitely that Soviet Russian influence had prevailed in the recent internal conflict which has been proceeding in that country.

Much admiration has been expressed for the service of the British Indian Air Force in the evacuation of foreign refugees from Kabul, it being stated that a total of 580 persons had been evacuated in 82 airplanes flying at an average height of 12,000 feet in the depth of winter and in a mountainous country without a single casualty.

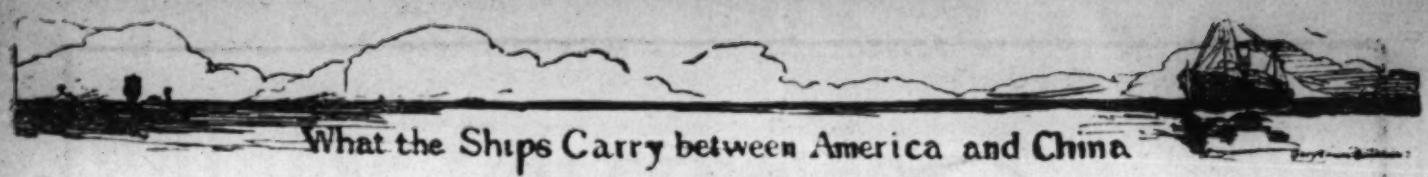
## S. M. C. Refuses Chinese Request for More Councillors

Correspondence was made public during the week which had passed between Tsu-Yee Pei, L. T. Yuan, and S. T. Zau, present Chinese members of the Council, and Stirling Fessenden, Chairman of the Shanghai Municipal Council. The former requested that the number of Chinese Councillors be increased to nine, the same number as foreign Councillors. The latter replied refusing the request adding that it would be useless to introduce such a resolution before the Ratepayers Meeting as it would be overwhelmingly defeated.

## American Gold Bond Quotations

| Name of Security | Coupon Rate % | Date of Maturity | Sale Price Feb. 28 | Approx. Yield to Maturity % |
|---|---|---|---|---|
| The National City Bank of New York | | New Stock | 390 | 1.03 |
| Argentine Government | 6 | Oct. 1, 1960 | 100¼ | 5.98 |
| Australia | 4½ | May 1, 1956 | 87½ | 5.38 |
| U. S. of Brazil | 6½ | Oct. 15, 1957 | 95½ | 6.86 |
| Kingdom of Belgium | 7 | Nov. 1, 1956 | 106 | 6.53 |
| City of Budapest | 6 | June 1, 1962 | 82 | 7.48 |
| Canadian Pacific Railway | 4 | Perpetual Stk. | 85 | 4.71 |
| Chgo., Milw., St. Paul & Pacific Rwy | 5 | Jan. 1, 2000 | 77 | 6.51 |
| ChicagoRapidTransit Co. | 6 | July 1, 1953 | 89 | 6.94 |
| Chile Copper Co. Debs | 5 | Jan. 1, 1947 | 96 | 5.35 |
| Chile Government (Railway) | 6 | Feb. 1, 1961 | 93½ | 6.50 |
| Cuba Northern Railway | 5½ | June 1, 1942 | 87 | 7.00 |
| Republic of Costa Rica | 7½ | Sep. 1, 1949 | 102½ | 7.26 |
| Chile Government | 6 | Sep. 1, 1961 | 93½ | 6.51 |
| Cuban Dominican Sugar Co. | 7½ | Nov. 1, 1944 | 92 | 8.42 |
| Kingdom of Denmark | 6 | Jan. 1, 1942 | 104¼ | 5.53 |
| Dutch East Dadies | 5½ | Nov. 1, 1953 | 103 | 5.28 |
| Republic of Finland | 5½ | Feb. 1, 1958 | 89¼ | 6.27 |
| French Government | 7 | Dec. 1, 1949 | 108 | 6.30 |
| German Government | 7 | Oct. 15, 1949 | 105½ | 6.48 |
| German Central Bank for Agriculture | 6 | Oct. 15, 1960 | 85½ | 7.14 |
| German Central Bank for Agriculture | 6 | Apr. 15, 1938 | 89 | 7.72 |
| German General Electric Co. | 6 | May 1, 1948 | 93 | 6.65 |
| Greek Government | 6 | Feb. 1, 1968 | 85½ | 7.09 |
| Ilseder Steel Corporation | 7 | Aug. 1, 1948 | 87½ | 7.20 |
| Kingdom of Italy | 7 | Dec. 1, 1951 | 97½ | 7.25 |
| Japanese Government | 6½ | Feb. 1, 1954 | 101½ | 6.40 |
| State of Minas Geraes (Brazil) | 6½ | Mar. 1, 1958 | 94 | 6.98 |
| Mortgage Bank of Chile | 6 | Apr. 30, 1961 | 91 | 6.68 |
| Norwegian Hydro-Elec.-Nitro. Corp. | 5½ | Nov. 1, 1957 | 91⅛ | 6.12 |
| Kingdom of Norway | 6 | Oct. 15, 1952 | 103½ | 5.73 |
| Northern Ohio Power & Light Co. | 6½ | Jan. 1, 1941 | 97 (Bid) | 6.87 |
| Republic of Peru | 6 | Dec. 1, 1960 | 87 | 7.02 |
| Paris, Lyons & Med. Rwy. | 6 | Aug. 15, 1958 | 100½ | 5.96 |
| Republic of Panama | 5 | May 15, 1963 | 93⅞ | 5.39 |
| State of Rio Grande Do Sul (Brazil) | 6 | June 1, 1968 | 88 | 6.89 |
| Rhine Westphalia Elec. Power Corp. | 6 | Aug. 1, 1953 | 93 | 6.58 |
| Saxon State Mortgage Inst. | 6½ | Dec. 1, 1946 | 93 | 7.20 |
| Saxon Public Works, Inc. | 6½ | May 1, 1951 | 93½ | 7.09 |
| Tokyo Electric Light Co. | 6 | Jun. 15, 1953 | 91½ | 6.71 |
| United Kingdom of Gr. Britain | 5½ | Feb. 1, 1937 | 104 | 4.89 |
| City of Vienna | 6 | Nov. 1, 1952 | 87 | 7.10 |
| Abitibi Power&PaperCo. | 6 | Cum. Pfd. Stock. | 86 | 6.98 |
| BelgianNat'l.Rwy.Pcptg. Pfd. Stock | 6 | (American Shrs) | 82 | 7.32 |
| Cannon Mills Co. (Dividend $2.80 p.a.) | | Common Stock | 45 | —— |
| General Mills, Inc. | 6 | Cum. Pfd. Stock. | 98 | 6.12 |
| General Mills, Inc. (Div. $3.00 per annum.) | | Common Stock | 85½ | —— |
| Hershey Chocolate Corp. Convertible | 4 | Pfd. Stock | 82 | 4.88 |
| Mohawk Carpet Mills, Inc. (Div. $2.50 p.a.) | | Common Stock | 73½ | —— |
| Pennsylvania-Dixie Cement Corp | 7 | Cum. Pfd. Stock. | 90 | 7.78 |
| Willys Overland Co. | 7 | Cum. Pfd. Stock | 100½ | 6.96 |
| General Motors Corp. (New) | | Common Stock | 81½ | —— |
| Andes Coper Mining Co. | | Common Stock | 61½ | —— |
| United States Steel Corp. | | Common Stock | 179 | —— |
| Standard Oil Co. of New Jersey | | Common Stock | 49½ | —— |
| Standard Oil Co. of New York | | Common Stock | 39 | —— |
| Pennsylvania Railroad Company | | Common Stock | 77½ | —— |
| United Aircraft & Transport Corp. (p.v.$50) | 6 | Pfd. Stock | 76 | 3.95 |
| United Aircraft & Transport Corp. | | Common Stock | 89½ | —— |

NOTE: The above quotations are received by Cable, and whilst believed to be correct, are not guaranteed.



# What the Ships Carry between America and China

## Return of the Shanghai Customs

*Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces, Mille—thousands; Hk. Tls.—Haikwan Tls.; Mar. Customs Rate Tls. 1.43 equal Gold $1*

### BRAND, Dec. 1.
From U. S. A.

| | | |
|---|---|---|
| Timber, Softwood: | | |
| Ordinary, Sawn.. | Sup.ft. | 4,160,660 |
| Merchantable.... | ,, | 374,828 |
| Logs..... | ,, | 30,528 |

### PRESIDENT McKINLEY, Jan. 3.
From U. S. A.

| | | |
|---|---|---|
| Apples, Fresh ..... | Pls. | 478 |
| Bacon and Hams..... | ,, | 11 |
| Flour, Wheat..... | ,, | 635 |
| Pears ..... | ,, | 6 |
| Ink, Printing ..... | ,, | 315 |
| Shrimps, Dried..... | ,, | 105 |
| Varnishes ..... | ,, | 11 |
| Wax, Paraffin..... | ,, | 420 |
| Woollen Blankets..... | Lb. | 84 |
| Shoes, Leather..... | Pairs | 96 |
| Hats, Felt..... | Doz. | 25 |
| Varnishes ..... | Galls. | 655 |
| Cigarettes ..... | Mille | 5,000 |
| Motor-cars ..... | Pcs. | 12 |
| Motor-trucks ..... | ,, | 5 |
| Machinery ..... | Hk.Tls. | 2,578 |
| Motor-cars, Parts of.... | ,, | 589 |

### PRESIDENT JACKSON, Jan. 3.
To U. S. A.

| | | |
|---|---|---|
| Silk, Raw, Re-reeled: | | |
| White, Soochow Bls. 10 | Pls. | 10.35 |
| Silk, Raw, Steam Filature: | | |
| White, Soochow Bls. 15 | ,, | 15.10 |
| White, Shanghai Bls. 275 | ,, | 273.75 |
| Yellow, Ichang, etc. Bls. 20 | ,, | 21.00 |
| Silk, Raw, Reeled from Doupions: | | |
| Shanghai..... Bls. 10 | Pls. | 9.92 |
| Silk, Waste, Refuse: | | |
| Shanghai ..... Bls. 37 | ,, | 120.86 |
| Tea, Black: | | |
| Other kinds, Hankow | ,, | 743 |
| Other kinds, Tientsin | ,, | 2 |
| Tea, Green: | | |
| Gunpowder, Ningpo.. | ,, | 627 |
| Other kinds, Ningpo, etc. | ,, | 337 |
| Tungsten Ore..... | ,, | 1,260 |
| Beans ..... | ,, | 72 |
| Brassware ..... | ,, | 55 |
| Bristles ..... | ,, | 95 |
| Hair, Human ..... | ,, | 169 |
| Oil, Groundnut ..... | ,, | 37 |
| Oil, Wood..... | ,, | 4,752 |
| Skins, Goat, Untanned | ,, | 227 |
| Walnuts, Kernels..... | ,, | 825 |
| Hats, Buntal Fibre..... | Pcs | 1,641 |
| Hats, Hemp..... | ,, | 1,850 |
| Skins, Dog, Tanned.... | ,, | 26,090 |
| Skins, Marmot, Untanned | ,, | 13,826 |

### HAMBURG MARU, Jan. 3.
From U. S. A.

| | | |
|---|---|---|
| Cotton, Raw... Bls. 1,300 | Pls. | 4,580 |
| Zinc Slabs..... | ,, | 420 |
| Tobacco, Leaf ..... | ,, | 11,620 |

### SILVERHAZEL, Jan. 7.
From U. S. A.

| | | |
|---|---|---|
| Aluminium-foil ..... | Pls. | 86 |
| Iron Tubes..... | ,, | 202 |
| Iron Pipe Fittings..... | ,, | 13 |
| Iron, Galvanized: | | |
| Tubes ..... | ,, | 2,554 |
| Pipe Fittings..... | ,, | 116 |
| Cuttle-fish ..... | ,, | 191 |
| Grease ..... | ,, | 29 |
| Indigo Paste, Artificial: | | |
| 20 per cent. ..... | ,, | 2,088 |
| 50 per cent. ..... | ,, | 572 |
| Sulphur Black ..... | ,, | 102 |
| Tobacco, Leaf ..... | ,, | 7,274 |
| Canned Fish ..... | Doz. | 800 |
| Oil, Lubricating, Mineral | Galls. | 4,697 |
| Turpentine, Vegetable... | ,, | 373 |
| Cigarettes ..... | Mille | 100,000 |
| Dyes, Aniline Pkgs. 61 | Hk. Tls. | 3,995 |
| Motor-cars, Parts of.... | ,, | 2,959 |

### PRESIDENT VAN BUREN, Jan. 8.
From U. S. A.

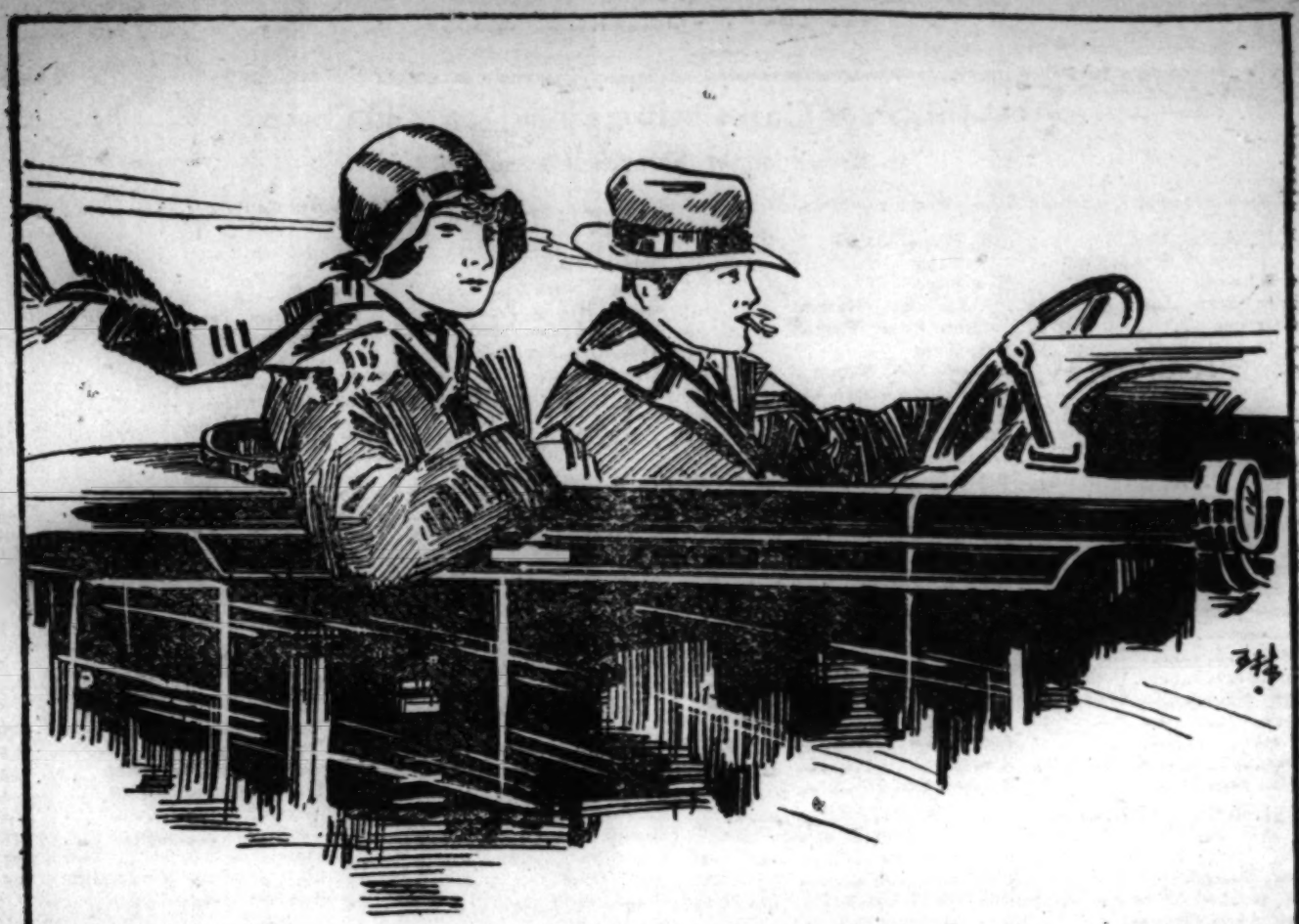
| | | |
|---|---|---|
| Cotton Rubberized Cloth | Yds. | 4,725 |
| Cotton Embroidery .... | Pls. | 14 |
| Aluminium-foil ..... | ,, | 16 |
| Aluminium Sheets ..... | ,, | 55 |
| Aluminium Wire ..... | ,, | 9 |
| Iron Nails, Cut ..... | ,, | 270 |
| Steel, Tubes ..... | ,, | 16 |
| Steel, Wire Shorts..... | ,, | 820 |
| Steel, Galvanized: | | |
| Pipe Fittings..... | ,, | 21 |
| Sheets, Plain ..... | ,, | 310 |
| Wire Gauze ..... | ,, | 5 |
| Wire Netting ..... | ,, | 16 |
| Canned Asparagus..... | ,, | 6 |
| Canned Fruits..... | ,, | 138 |
| Cordage ..... | ,, | 2 |
| Cuttle-fish ..... | ,, | 247 |
| Fruits, Dried ..... | ,, | 8 |
| Grapes, Fresh ..... | ,, | 54 |
| Grease ..... | ,, | 15 |
| Hams and Bacon ..... | ,, | 12 |
| Indigo Paste, Artificial: | | |
| 20 per cent. ..... | ,, | 1,030 |
| 50 per cent. ..... | ,, | 43 |
| Ink, Printing ..... | ,, | 267 |
| Leather, Calf ..... | ,, | 14 |
| Leather, Patent ..... | ,, | 3 |
| Leather, Sole ..... | ,, | 211 |
| Macaroni ..... | ,, | 15 |
| Oranges, Fresh..... | ,, | 31 |
| Packing, India-rubber .. | ,, | 14 |
| Packing, Unclassed .... | ,, | 15 |
| Paints, Unclassed ..... | ,, | 38 |
| Paper, Drawing ..... | ,, | 2 |
| Paper, Writing..... | ,, | 166 |
| Paper, Unclassed ..... | ,, | 61 |
| Prunes, Dried..... | ,, | 17 |
| Raisins, Dried ..... | ,, | 38 |
| Shrimps, Dried..... | ,, | 504 |
| Soda, Silicate of ..... | ,, | 303 |
| Sulphur Black ..... | ,, | 699 |
| Ultramarine ..... | ,, | 2 |
| Bath tubs ..... | Pcs. | 24 |
| Bedsteads, Brass..... | ,, | 13 |
| Motor-cars..... | ,, | 30 |
| Motor-trucks ..... | ,, | 15 |
| Oilcloth ..... | ,, | 25 |
| Typewriters ..... | ,, | 8 |
| Canned Sardines ..... | Doz. | 240 |
| Canned Vegetables..... | ,, | 34 |
| Canned Goods, Unclassed | ,, | 132 |
| Fruits, Preserved, in Glass | ,, | 44 |
| Mirrors ..... | ,, | 22 |
| Underwear ..... | ,, | 36 |
| Shoes ..... | Pairs | 1,435 |
| Oil, Lubricating, Mineral | Galls. | 8,595 |
| Rum, for Industrial Purposes..... | ,, | 10,165 |
| Varnishes..... | ,, | 204 |
| Dyes, Aniline Pkgs. 153 | Hk. Tls. | 11,908 |
| Infants' Food ..... | ,, | 2,603 |
| Machinery ..... | ,, | 21,040 |
| Motor-cars, Parts of.... | ,, | 16,972 |
| Motor-trucks, Parts of.. | ,, | 1,789 |

## Latest New York Stock Exchange Quotations

Swan, Culbertson & Fritz. Tel. 18891-18990 Feb. 26.

Market Irregular-largely Business done, 3,784,200 Shares.

| STOCK | Wed. Jan. 2 | Thurs. Feb 21 | Monday Feb. 25 |
|---|---|---|---|
| Allied Chemical & Dye (Com.) | 255 | 292 | 296¼ |
| American Can (Common) | 112⅛ | 117 | 116¾ |
| American Smelting | 292 | 115¾ | 115⅜ |
| American Telephone & Tel. (Com.) | 195 | 213 | 214⅝ |
| American Tobacco "B" | 178½ | 174 | 173¼ |
| Armour & Co. "A" | 17⅜ | 15¼ | 15⅛ |
| Armour & Co. (Ill.) 7% Pfd. | 83½ | 82 | 82 |
| Anaconda Copper | 118½ | 133¼ | 135½ |
| Andes Copper | | 59⅜ | 59⅜ |
| Baltimor & Ohio | | 124 | 124 |
| Bank of Montreal | 395 | 355 | 370 |
| Bethlehem Steel (Common) | 88 | 97½ | 100¼ |
| Calumet & Hecla | 48⅛ | 56⅜ | 57 |
| Campe Corp. | 100 | 100 | 100 |
| Canadian Pacific Railway | 245¼ | 250⅜ | 250¼ |
| Cavanaugh Dobbs | None | 34½ | 36⅜ |
| Chrysler | 133¼ | 105 | 102⅜ |
| Consolidated Gas of New York | 108¼ | Mult. | 108⅜ |
| Coty Incorporated | 76 | 68 | 68⅞ |
| Curtis Flying Service | | | 23 |
| Davison Chemical | 62 | 60¾ | 60¾ |
| Dry Docks | | 22 | 22 |
| Du Pont de Nemours E. I. (Com.) | 504 | 184½ | 183¼ |
| Eastman Kodak | 182¾ | 183 | 184 |
| General Electric Co. | 245¼ | 240 | 240 |
| General Motors | 192⅞ | 81⅝ | 80¼ |
| General Railway Signal (Com.) | 102½ | 103¼ | 103¼ |
| Gold Dust | 146 | 70¾ | 69⅛ |
| Goodrich Rubber | | 93 | 93⅛ |
| Granby Consolidated | 91 | 89¼ | 89 |
| Haygart | 48 | 56⅜ | 56⅛ |
| International Cement (Common) | 95⅛ | 92 | 94 |
| International Match, Pfd. | 95⅝ | 96 | 93½ |
| International Nickel (Common) | 45⅞ | 64⅛ | 62⅛ |
| International Printers Ink | 59½ | 58 | 58 |
| International Products Corp. (Com) | 13 | 12¾ | None |
| Kelvinator | 16¾ | 16⅛ | 16⅛ |
| Kennecott Copper | 158 | 156¾ | 156⅝ |
| Liggett & Myers, Class "B" | 92⅞ | 90⅝ | 90 |
| Lorillard Company (Common) | 25⅜ | 24⅞ | 25 |
| Mack Trucks | 111¼ | 107⅜ | 108 |
| Madison Square Garden | 21½ | 22 | 22⅞ |
| Missouri Pacific (Com.) | 67⅞ | 74½ | 78⅜ |
| National Dairy Products | 128 | 125¾ | 126½ |
| Nevada Consolidated Coppor | | 49⅞ | 49¼ |
| New York Central Railroad | | 190⅜ | 191½ |
| Norfolk & Western | | 196½ | 196 |
| North American Aviation | | | 16⅜ |
| Pacific Gas & Electric Co. | 54 | 59½ | 58¼ |
| Packard Motor Car Co. (Com) | 151¼ | 138¼ | 137¼ |
| Paramount Lasky | | 63¾ | 63 |
| Pennsylvania Railroad | 78⅛ | 78⅛ | 77¾ |
| Phillips Petroleum | 46½ | 37⅞ | 38 |
| Radio Corporation | 394¼ | 360 | 366 |
| Reynolds Tobacco, "B" | 157 | Mutl. | 57 |
| Shell Union Oil | | 26½ | 27¾ |
| Southern Pacific Railway | | 131⅞ | 131½ |
| Standard Gas & Electric (Com) | 87 | 90⅞ | 89¼ |
| Standard Oil of New Jersey | 54¾ | 48¼ | 48¼ |
| Standard Oil of New York | 44⅞ | 38¾ | 39⅞ |
| Texas Corporation (Common) | 67⅞ | 57½ | 57¼ |
| Texas Gulf Sulphur | 81 | 76 | 74⅝ |
| Timken Roller Bearing | 148¾ | 77 | 76¼ |
| Trans-America Corp. | | 130¼ | 131 |
| Union Carbide | 206⅞ | 211½ | 211½ |
| Union Pacific Railroad (Com) | 218½ | 223¾ | 224 |
| U. S. Inter. Security Pfd. | 100 | None | None |
| United States Leather "A" | 59¾ | 51¾ | 52 |
| United States Realty & Imp Co. | 84 | 98 | 97⅞ |
| United States Rubber (Pfd) | | 86½ | 85½ |
| United States Steel | 162¾ | 182 | 189⅜ |
| Vanadium Oil | | 119¼ | 122¼ |
| Vanadium Corp. | 103 | 108 | 108 |
| Westinghouse Elec. (Com) | 143 | 154½ | 153½ |
| Willys Overland Co. | 34 | 31 | 31¼ |
| Wright Aeronautical | 270 | 274 | 274 |



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# Chinese Government Railways

## Peiping-Hankow Line

**"The Road Through the Heart of China"**

For the safety of the travelling public, guard vans with armed police are provided for every train and more than 400 armed railway policemen are on duty at the various large stations.

To facilitate the passengers in making fast connections, local trains are run between Chengchow and Chang Teh and between Hankow and Kouang Choei.

To meet the demands of the travelling public, third class tickets are sold on the Special Express Trains running between Hankow and Chengchow with only a small additional charge.

For the comfort and convenience of the passengers, the Dining and Sleeping cars are newly embellished with all modern improvements.

For quick transportation of goods, many additional freight trains are scheduled under the supervision of our Traffic Department.

TIME TABLE

| TRAIN | DEPART FROM | ARRIVE AT |
|---|---|---|
| * 1 Express | Hankow (T.C.M.) Every Monday 10 P.M. | Chengchow Every Tues. 6:55 P.M. |
| + 2 Express | Chengchow Every Thurs. 10 P.M. | Hankow (T.C.M.) Every Fri. 8:40 P.M. |
| ‡ 5 Local | Hankow (T.C.M.) 6:10 P.M. Daily | Chengchow 6:43 A.M. Third Day |
| 6 Local | Chengchow 7:15 P.M. Daily | Hankow (T.C.M.) 6:48 A.M. Third Day |
| 51 Local | Chengchow 8:00 A.M. Daily | Chang Teh 5:00 P.M. |
| 52 Local | Chang Teh 8:23 A.M. Daily | Chengchow 5:45 P.M. |
| 74 Local | Hankow (Y.T.M.) 7:30 A.M. Daily | Kouang Choei 1:38 P.M. |
| 75 Local | Kouang Choei 8:00 A.M. Daily | Hankow (Y.T.M.) 2:10 P.M. |

REMARKS: *With First and Second Class Sleeping and Dining Cars. +Third Class tickets are sold on this train with a small additional charge. ‡With 1st, 2nd, 3rd Class Cars and Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Hankow Line, Managing Director, Peiping-Hankow.

## Lung-Hai and Pien-Lo Lines

**In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers**

**In Construction: From Lingpao to Sianfu: 225 Kilometers**

## "The Great Overland Route in China"

This Line will soon become the most important Railway in China, connecting as it will, the remote provinces of Kansu, Shensi and Honan with the sea and passing through the ancient and famous capitals of Lanchow, Sian, Loyang and Kaifeng.

There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

*For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road, Shanghai*

中華郵政特准掛號認爲新聞紙類

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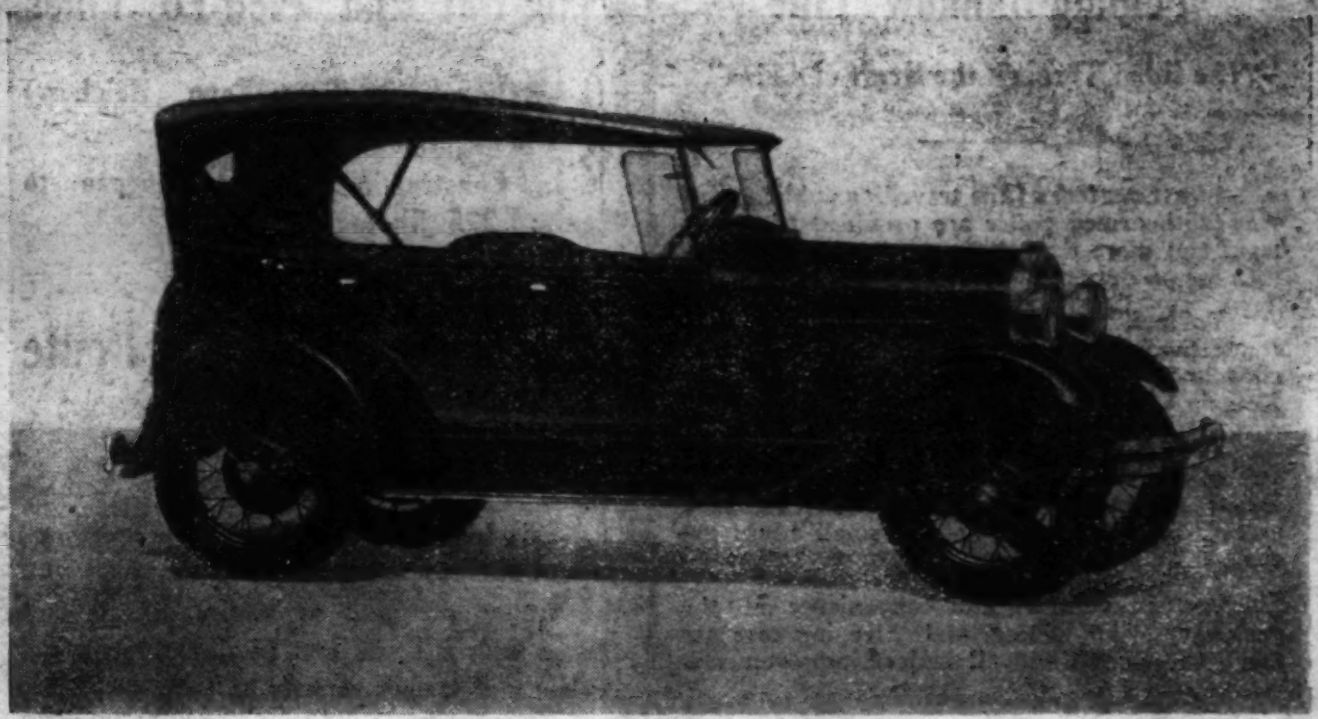
# New Ford Phaeton



**Price F. O. B. Shanghai Tls. 1450**
**Including Bumpers and Fifth Tire**

The new Ford Phaeton is long and low, with a sweep of line that reflects a sport treatment in design. It is an open car in which any owner may well take pride—a car that is at once attractive and practical, so that it may be suitably used for both personal and business needs.

It is roomy, with wide seats in which five persons may ride in full comfort. Seat cushions are upholstered in blue-gray artificial leather. Doors are wide, all opening forward, and are equipped with door handles both inside and outside.

As with all other Ford cars, many body colour combinations are provided from which to make a selection.

Note the following complete epuipment included in the above delivery price: Windshield wings, bumpers, electric windshield wiper, Houdaille hydraulic shock absorbers, Triplex shatter-proof windshield glass, speedometer, gasoline guage, ammeter, theft-proof ignition lock, dash lamp, rear view mirror, combination tail and stop lights, high pressure grease gun for lubrication of chassis, tool equipment, electric motor horn, spare wheel and fifth tire.

Ford

## Ford Motor Company Exports Inc.

**SHANGHAI.**